



GARY RIMOUSKI
ALMA CORNWALL PENTICTON
SEPT-ILES MEDICINE HAT BARRIE
SHELBURNE GODERICH TRURO BRAMPTON
A PRINCE GEORGE GRIMSBY MONCTON STOUFFVILLE
H OWEN SOUND SYDNEY MINES SWIFT CURRENT WOODSTOCK
RACE LONDON HALIFAX COOKSVILLE VAL CARON ST. JEAN PRINCE ALBERT
OR ST. CATHARINES WATERLOO GRANDE PRAIRIE TORONTO DOLBEAU EDMONTON
AKE SIMCOE DRUMHELLER LEVIS KAMLOOPS ANTIGONISH SARNIA ST. LAURENT WILLIAMS LAKE
ROUYN GRAND FALLS HAUTERIVE BRIDGEWATER TROIS RIVIERES DARTMOUTH VANIER KENORA
RATFORD WHITEHORSE AJAX CRANBROOK BRANTFORD CAMPBELLTON GUELPH ST. JOHN'S STRATFORD
LE NANAIMO STE. THERESE SASKATOON TIMMINS KENTVILLE CHARLOTTETOWN FLORENCEVILLE
WALLACEBURG FORT ST. JOHN BURLINGTON BATHURST KITCHENER NORTH BATTLEFORD WALLACE
QUEBEC MONT LAURIER PEACE RIVER KAPUSKASING BEDFORD WINNIPEG FREDERICTON VICTORIA
OSHAWA SPRINGHILL BLLENHEIM NEW GLASGOW PEMBROKE SAULT STE. MARIE GRANBY BRANDON
PONOKA DAWSON CREEK HAMILTON CHATHAM NEWMARKET RED DEER LEAMINGTON SHERBROOK
DIGBY CHATHAM COLLINGWOOD NEW MINAS LETHBRIDGE SAINT JOHN VANCOUVER RIMOUSKI DIGBY
ORNWALL PENTICTON PORT HAWKESBURY NORTH BAY SUDBURY MONTREAL CALGARY CORNWALL
SYDNEY NIAGARA FALLS NEWCASTLE RICHMOND HILL GANDER WINDSOR ALMA MEDICINE HAT BARRIE
GODERICH TRURO CORNER BROOK ST. STEPHEN NEW WESTMINSTER SEPT-ILES SHELBURNE GODERICH
EORGE GRIMSBY BRAMPTON CHELMSFORD POINTE CLAIRE STEPHENVILLE KINGSTON PRINCE GEORGE
TIMI REGINA OWEN SOUND MONCTON STOUFFVILLE WOODSTOCK SURREY THETFORD MINES YARMOUTH L
ON HALIFAX SYDNEY MINES SWIFT CURRENT WOODSTOCK SURREY THETFORD MINES YARMOUTH L
CE ST. CATHARINES COOKSVILLE VAL CARON ST. JEAN PRINCE ALBERT PETERBOROUGH TERRACE
SOR DRUMHELLER WATERLOO GRANDE PRAIRIE TORONTO DOLBEAU EDMONTON HANOVER WINDSOR
E SIMCOE GRAND FALLS LEVIS KAMLOOPS ANTIGONISH SARNIA ST. LAURENT WILLIAMS LAKE SIMCOE
ROUYN WHITEHORSE HAUTERIVE BRIDGEWATER TROIS RIVIERES DARTMOUTH VANIER KENORA R
ATFORD STE. THERESE AJAX CRANBROOK BRANTFORD CAMPBELLTON GUELPH ST. JOHN'S STRATF
LLEVILLE FORT ST. JOHN WELLAND LIVERPOOL BATHURST KITCHENER NORTH BATTLEFORD WALLACE
ALLACEBURG MONT LAURIER BURLINGTON BEDFORD WINNIPEG FREDERICTON VICTORIA QUEBEC S
HILL BLLENHEIM PEACE RIVER KAPUSKASING BEDFORD WINNIPEG FREDERICTON VICTORIA QUEBEC S
OSHAWA DAWSON CREEK HAMILTON CHATHAM NEWMARKET RED DEER LEAMINGTON SHERBROOK
INGWOOD HAMILTON CHATHAM NEWMARKET RED DEER LEAMINGTON SHERBROOK
NEW MINAS LETHBRIDGE SAINT JOHN VANCOUVER RIMOUSKI DIGBY CHATHAM
DAY SUDBURY MONTREAL CALGARY CORNWALL PENTICTON NIAGARA
D HILL GANDER WINDSOR ALMA MEDICINE HAT BARRIE
WESTMINSTER SEPT-ILES SHELBURNE GODERICH
STEPHENVILLE KINGSTON PRINCE GEORGE
CHICOUTIMI REGINA
YARMOUTH L

Contents

1	Highlights
2	President's Report to Shareholders
3	Description of Services
4	Finance Operations
10	Financial Review
13	Canadian General Insurance Group
14	Guaranty Trust Company of Canada
15	Consolidated Financial Statements
27	Auditors' Report
28	Policies and Practices
29	Bankers
29	Consolidated Summary of Maturities
30	Consolidated Eleven Year Highlights
34	Canadian General Insurance Group Financial Summary
35	Guaranty Trust Company Financial Statements
38	Directors and Officers
40	Quarterly Share Market Statistics

Annual Meeting

The Annual Meeting of Shareholders will be held at 11:30 a.m., Friday, April 23rd, 1976, in Toronto, in the Ballroom of the Royal York Hotel.

L'assemblée annuelle des actionnaires aura lieu à 11 heures trente a.m., vendredi le 23 avril, 1976 à Toronto. Endroit: salon "Ballroom", Hôtel Royal York.

Statistical Supplement

Shareholders and other interested persons wishing more detailed information may request the financial statistical supplement by writing to the Corporate Finance Department, Traders Group Limited, 625 Church Street, Toronto, Ontario M4Y 2G1.

Rapport annuel

Si vous désirez recevoir un exemplaire en français du rapport annuel du Groupe Traders Limitée, veuillez vous adresser au service de la trésorerie, Le Groupe Traders Limitée, 625 Church Street, Toronto, Ontario M4Y 2G1.

Highlights

OPERATIONS (\$000's)

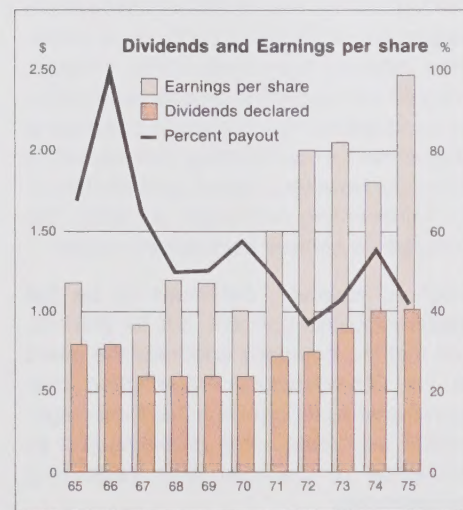
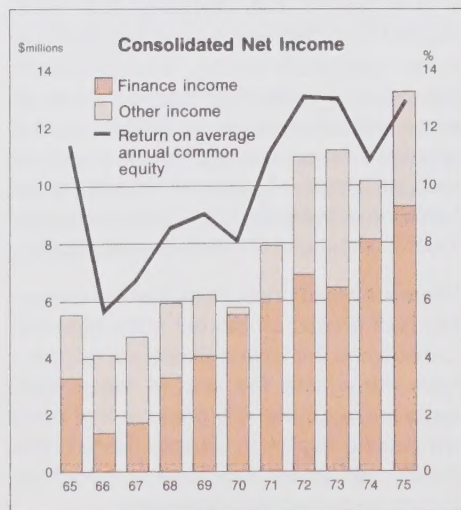
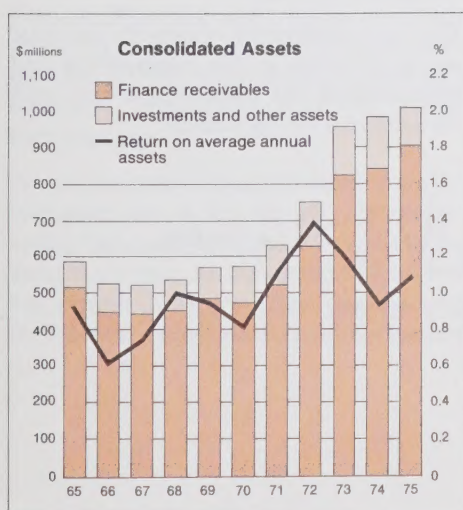
	1975	1974	% increase (decrease)
At year-end			
Finance receivables outstanding	\$ 903,907	\$ 841,257	7.4%
Life insurance in force	398,112	361,620	10.1
Total trust assets under administration	1,821,879	1,663,722	8.1
During the year			
Finance receivables acquired	1,256,788	1,273,882	(1.3)
Insurance premiums earned	40,502	34,575	17.1
Trust revenues	\$ 100,167	\$ 93,166	7.5%

INCOME (\$000's)

Net income by source			
Finance	\$ 9,279	\$ 8,121	14.3%
Land Development	1,511	1,687	(10.4)
Canadian General Insurance Group	1,405	281	400.0
Guaranty Trust	1,102	71	1,452.1
	13,297	10,160	30.9
Dividends on preferred shares	2,256	1,094	106.2
Earnings available for common shares	11,041	9,066	21.8
Extraordinary items	479	926	(48.3)
Earnings after extraordinary items	\$ 11,520	\$ 9,992	15.3%
Return on average annual common equity	13.0%	10.7%	
Return on average annual assets	1.13%	0.93%	

PER SHARE (dollars)

Net income by source			
Finance	\$ 2.08	\$ 1.62	28.4%
Land Development34	.34	—
Canadian General Insurance Group31	.06	416.7
Guaranty Trust25	.01	2,400.0
Earnings per common share			
Before extraordinary items	2.47	1.81	36.5
After extraordinary items	2.58	1.99	29.6
Common dividends—Declared	1.02½	1.00	2.5
—Paid	1.00	1.00	—
Book value, at year end	\$ 20.36	\$ 17.55	5.7
Average number of common shares (000's)	4,467	5,021	(11.0)%



President's Report to Shareholders

In 1975, consolidated earnings applicable to common shares before extraordinary items amounted to \$11,041,000, or \$2.47 per common share, compared with \$9,066,000, or \$1.81 per share in 1974.

Profits from finance operations increased to \$9,279,000 compared with \$8,121,000 in 1974. This was the ninth consecutive year of increased profits from lending activities which continue to be the profit base for the Corporation. Consolidated assets exceeded \$1 billion this year.

As anticipated, profit from land development was moderately lower at \$1,511,000 compared with \$1,687,000 the previous year.

The Canadian General Insurance Group substantially increased its contribution to \$1,405,000, up from \$281,000 in 1974.

Improved operating results of the trust subsidiary, Guaranty Trust Company of Canada, contributed \$1,102,000 to Traders earnings compared with \$71,000 the previous year.

In October, Traders quarterly dividend on common shares was increased to 27½ cents per share from 25 cents.

During the year the average number of common shares effectively outstanding declined to 4,467,000 from 5,021,000 because of the acquisition of Acres Limited. Since this acquisition occurred at mid-year, a further reduction of average shares outstanding will be reflected in 1976.

Throughout the year, inflation continued to plague the economy though on a somewhat reduced scale from 1974. Inflation, coupled with a decline in economic activity, produced a very challenging operating environment in our lending and insurance activities. However, careful control of credits, underwriting and costs permitted the company to achieve satisfactory results.

Inflation, however, continues to be the major economic concern. It is for this reason that the company endorses the intent of the Government's Anti-Inflation Programme while recognizing that these regulations will create some problems and an increase in clerical and reporting requirements.

At the time of printing, the regulation of profits has not been clarified by the Anti-Inflation Review Board and it is, therefore, impossible to assess the full effect. It is unclear which of our operations, if any, will fall under the Financial Institutions Guidelines and if so, specifically what the regulations will be. However, we believe that with the substantial competitive pressure in the marketplace and changing money costs, Traders should have little difficulty in complying with forthcoming regulations.

While the short-term effects on profits of the anti-inflation programme are uncertain, the success of the programme in containing inflation and effecting an economic recovery would, in the long run, create a better business environment which would only be beneficial.

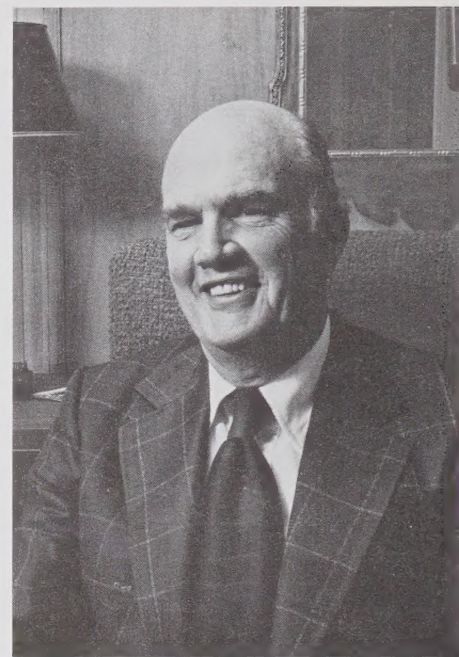
Management continues to monitor the implications of the proposed revisions to the Bank Act which are expected to be enacted in 1977. The diversified nature of Traders operations places it in a strong position to meet any new challenge that might emanate from these revisions.

Looking to 1976, we see some easing in inflation later in the year as government programmes coupled with business restraint take effect.

While we anticipate some increase in mortgage lending activity, due to an anticipated increase in the number of housing starts, there could be some easing in the demand for other consumer durables.

It is expected that industrial and commercial financing and leasing will continue to be reasonably strong. The company's insurance operation should continue to show improvement as we realize the full benefits from increased premium rates and reduced terms of policies. Prospects for further improvement in profits for Guaranty Trust Company of Canada appear good.

There are some predictions that the unusually high spread of interest rates between Canada and the United States will not continue throughout the year. If these forecasts are accurate, it is possible that rates will decline slightly in Canada. Should this occur, we would anticipate a beneficial impact on our lending operations.



HENRY E. DYNES, President and Chief Executive Officer

Since our last annual report, the Board regretfully accepted the resignation of Mr. S. C. Cooper, President and General Manager of C. A. Pitts Engineering Construction Limited. Mr. Cooper made a valuable contribution to Traders during his tenure on the Board.

In 1975 Mr. J. D. Derbyshire was appointed Senior Vice President, Personal Financial Services. This appointment further strengthens our senior management team in this important area which encompasses a variety of financing services for the Canadian consumer.

The very satisfactory results for the year are a reflection of the competence and dedication of the management and staff throughout the organization.

A handwritten signature in orange ink that reads "H. E. Dynes". The signature is stylized and fluid.

H. E. DYNES
President and Chief Executive Officer

Description of Services

Traders provides the Canadian public and business community with comprehensive financial services. The principal activities include:

Personal Financial Services

Traders was founded 55 years ago to purchase conditional sale contracts from automobile and farm equipment dealers. The purchaser becomes a Traders customer, making regular contractual payments. Automobile financing continues to be an important activity.

The Company also purchases conditional sale contracts for mobile homes, recreational vehicles and other major durable goods.

Traders also offers wholesale financing for dealers. On the dealer's behalf, Traders pays the manufacturer for his inventory—of new automobiles for example. When a car is sold to a retail purchaser, Traders is paid by the dealer and, if it is a credit sale, a retail contract is completed. Traders then purchases the retail contract from the dealer as described earlier.

Wholesale financing is available for a variety of businesses, including farm equipment, leisure product and mobile home dealers.

Through Trans Canada Credit Corporation Limited, direct cash loans are made to the Canadian public. Loans are used for furniture, appliances, vacations, home improvements or to consolidate a number of small debts.

Traders offers first and second mortgage financing for the purchase of principal residences, for the acquisition of rural and vacation properties and for home improvements.

Financial counselling and budgeting are an important part of the service. This counselling has assisted several hundred thousand customers to use credit wisely and has proven to be good business practice for Traders.

Business Financial Services

Traders offers corporate loans to companies wishing to improve working capital, make an acquisition, or to expand premises or acquire equipment.

The company finances industrial and commercial equipment and machinery by conventional financing or leasing. In conventional financing, Traders advances to the vendor funds for, say, a bulldozer. The contractor then repays Traders in regular instalments related to the earning capacity of the equipment over its useful life. The contractor owns the equipment and depreciates it as a capital asset. It is a "pay-as-you-earn" contract.

Leasing is a useful alternative to conventional equipment financing. Traders owns the asset and leases it to the company for a specified period of time. As the asset earns income, commensurate payments are made to Traders. Such payments are a business expense for the lessee.

Leasing frees up capital that can be used elsewhere in the business and does not tie up other assets as collateral, as is required by many financial intermediaries. As well, the lessee does not tie up lines of credit that may be needed for other purposes.

Commercial mortgages are provided on selected revenue-producing properties.

Traders subsidiary, Aetna Factors Corporation Ltd. offers accounts receivable financing, factoring and export-import financing to manufacturers and distributors. Aetna, through a subsidiary also offers data processing for accounts receivable and inventory control.

Traders broad business experience enables it to give informed financial counselling and conduct complex computer analyses of financing alternatives, to enable a client to select the most favourable option.

Insurance

The Canadian General Insurance Group offers to the public and business a broad range of insurance and bonding services. These include automobile, fire and theft and other general insurance. They are a major Canadian surety, performance and bid bonding organization.

The Canadian General Life Insurance Company specializes in group life and disability coverage to professional associations and employee groups.

Trust Services

A comprehensive range of personal and business trust services is offered by Guaranty Trust Company of Canada.

Personal services include savings and chequing accounts, mortgages, real estate sales and management, personal loans, retirement savings plans and income tax services.

Business services include trust, registrar and stock transfer services, pension fund management, corporate lending and commercial mortgages.

Finance Operations

	1975	1974	% increase (decrease)
FINANCE RECEIVABLES OUTSTANDING (\$000's)			
Direct cash loans			
Precomputed	\$ 141,109	\$ 136,535	3.4%
Interest bearing	18,830	21,279	(11.5)
	<u>159,939</u>	<u>157,814</u>	1.3
Consumer retail notes and contracts			
Motor vehicles	115,704	134,565	(14.0)
Mobile homes	28,846	39,423	(26.8)
Residential mortgages and home improvements	144,977	132,854	9.1
Miscellaneous	30,864	28,232	9.3
	<u>320,391</u>	<u>335,074</u>	(4.4)
Commercial loans and contracts			
Industrial and commercial equipment	124,812	109,417	14.1
Commercial loans	36,296	37,527	(3.3)
Leasing	115,487	64,011	80.4
Factoring and commercial financing	58,927	47,250	24.7
	<u>335,522</u>	<u>258,205</u>	29.9
Wholesale			
Motor vehicles	61,286	66,806	(8.3)
Other	26,769	23,358	14.6
	<u>88,055</u>	<u>90,164</u>	(2.3)
	<u>\$ 903,907</u>	<u>\$ 841,257</u>	7.4%

FINANCE RECEIVABLES ACQUIRED (\$000's)			
Direct cash loans	\$ 139,570	\$ 145,785	(4.3)%
Consumer retail notes and contracts	187,651	203,611	(7.8)
Commercial loans and contracts	554,767	448,860	23.6
Wholesale	374,800	475,626	(21.2)
	<u>\$1,256,788</u>	<u>\$1,273,882</u>	(1.3)%

FINANCE INCOME (\$000's)			
Gross finance operating income	\$ 116,528	\$ 115,670	0.7%
Expenses: Borrowing costs	55,102	60,094	(8.3)
Provision for credit losses	8,531	6,696	27.4
General and administrative	34,927	33,255	5.0
	<u>98,560</u>	<u>100,045</u>	(1.5)
Income	17,968	15,625	15.0
Net contribution to Traders	<u>\$ 9,279</u>	<u>\$ 8,121</u>	14.3%

STATISTICAL INFORMATION

Unearned income as a percent to related receivables	21.4%	20.8%
Percent accounts 60 days or more past due	3.53%	2.21%
Allowance for credit losses as a percent of receivables outstanding	2.01%	1.84%
Net losses during the year as a percent of average receivables outstanding	0.67%	0.54%



E. W. FLANAGAN, Executive Vice President
Finance Group

The various financing operations are organized in two marketing groups each with a nationwide branch network with specialized management and staff. One, Personal Financial Services offers a wide range of financing services to the Canadian consumer and the other, Business Financial Services provides a broad range of services to business and industry. As indicated in the President's Report the profit from the total financing operations increased to \$9,279,000 compared with \$8,121,000 in 1974. This was the ninth consecutive year of profit improvement from this source.

While total finance receivables outstanding increased somewhat (7.4%), the incremental profit was largely accounted for by improved interest margins and control of operating expenses.

Notwithstanding inflationary pressures during the year the Personal Financial Services marketing group with 173 branches decreased its operating expense from the previous year while Business Financial Services contained operating expenses in line with its expanded income.

In its second full year of operation 'T-Com', Traders accounting and management information system, employing on-line branch terminals, contributed to improved

performance by facilitating increased employee productivity and expense control. 'T-Com' has provided more timely information on which to base management decisions. This advantage proved to be extremely valuable during a year of continuing change in market conditions.

In expectation of a possible downturn in the economy the company introduced a more rigid credit policy early in 1974. In 1975 the same standards governed lending activities, as we experienced weakness in several areas of the economy. This economic deterioration had a broadly based adverse impact on both consumers and businesses in Canada and reflected temporarily in increased delinquencies.

In response to the cyclical decline in the general business climate, credit losses increased during the year. Consistent with this experience the company increased the allowance for credit losses to a higher level, as determined by an in-depth analysis of receivables.

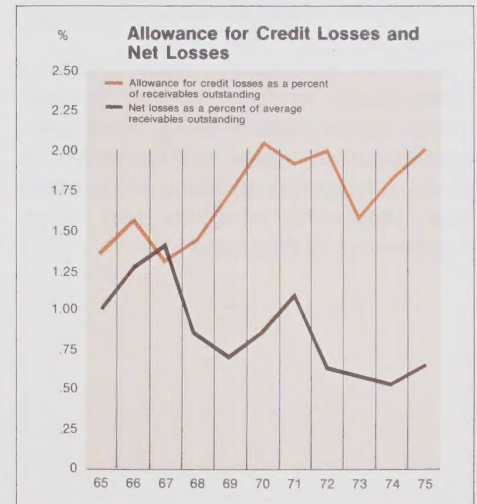
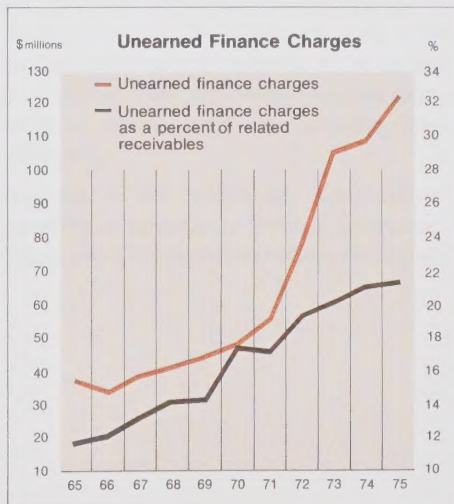
With the end of the postal disruption, settlement of many other major strikes and a reduction in layoffs, a more favourable credit loss experience is expected in 1976. The company will, however, continue to ensure the adequacy of the allowance for credit losses should the economy not achieve the forecasted recovery.

All of the company's lending portfolios are subject to analysis of yields on a regular

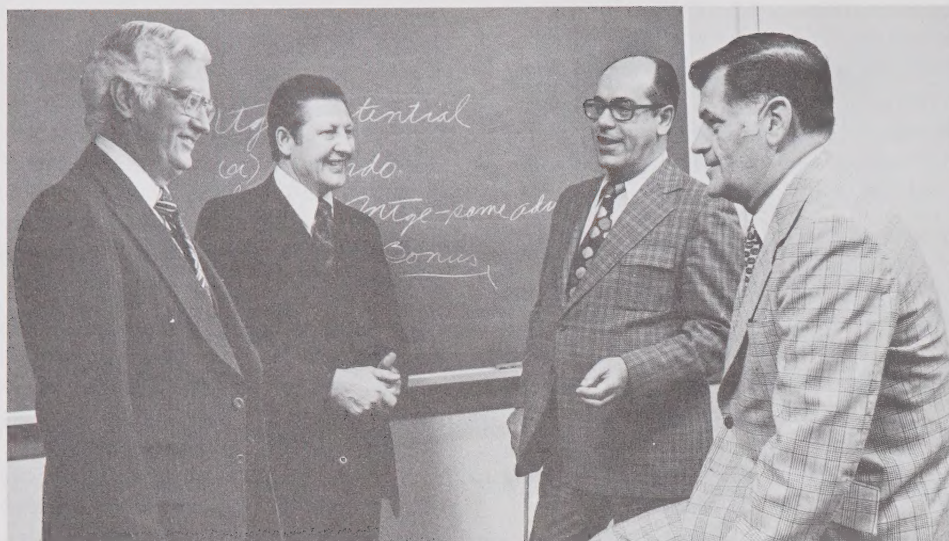
basis to enable management to quickly take corrective pricing or marketing action. Traders, with probably the broadest diversification of lending portfolios of any financial intermediary in Canada, has the ability to expand or reduce any particular area of its business to achieve the corporation's return on investment objectives. The company is not overly dependent on any one portfolio.

While moderate overall growth is expected in 1976, emphasis will continue to be placed on consolidation of gains, profitability and further refinement of the quality of earning assets. In view of widespread economic uncertainty the company does not feel that rapid expansion or excessive risk taking is prudent at this time.

While some further refinement of the branch networks will occur, both marketing groups now have well located branch offices to serve the public and business. Rather than increasing the number of branches, the services offered by selected existing branches will be expanded and the company will better utilize present capacity.



Personal Financial Services



left to right

A. R. MITCHELL
Vice President, East
E. J. CASTELANE
Vice President, West
J. J. BOURBONNIERE
Vice President, Central
J. D. DERBYSHIRE
Senior Vice President
Personal Financial Services

This marketing group continued throughout the year to emphasize return on investment in its various consumer financing portfolios. The result was that certain product lines were expanded and others reduced consistent with their profit contribution. Economic conditions were such that the growth of desirable portfolios did not offset declines in lower yielding lines. This resulted in an overall reduction in consumer related receivables.

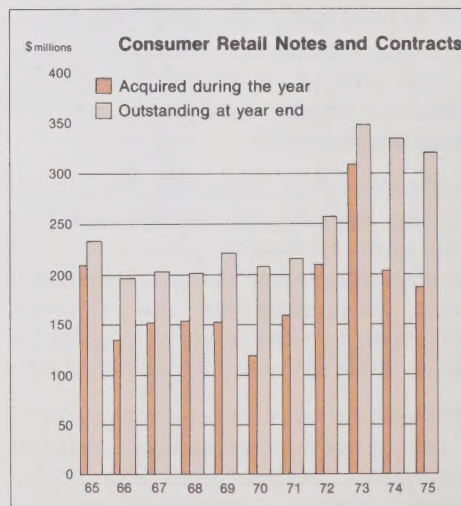
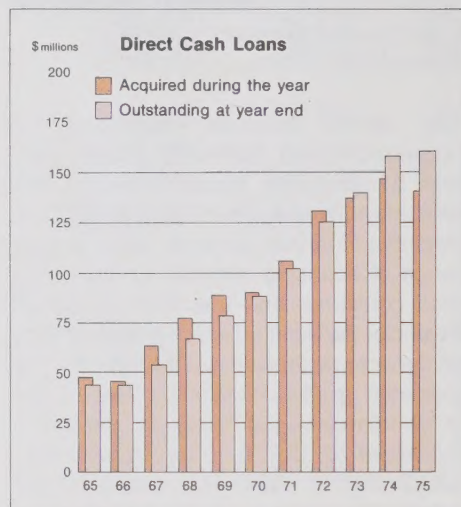
Because of a lessening of consumer confidence, labour strikes and unemployment, there was a reduced demand for the purchase of consumer durable goods. This, coupled with intensive rate competition from the finance subsidiaries of manufacturers and banks resulted in some decline in finance receivables of such products as automobiles and mobile homes.

Direct cash lending showed modest growth for the year reflecting uncertainty and increased caution on the part of the public in assuming additional debt. However, residential mortgage and home improvement lending expanded.

Credit losses increased in the direct lending portfolio because of the economic slowdown and higher unemployment in some regions of the country.

Despite the increased credit loss expense and reduced receivables outstanding, total profit exceeded that of 1974. This was achieved by improving the mix of business, rigid expense control and increased productivity.

While a continuing lack of consumer confidence will likely retard growth in the financing of durables, moderate increases are expected in residential mortgages and direct lending activities in 1976.



Business Financial Services



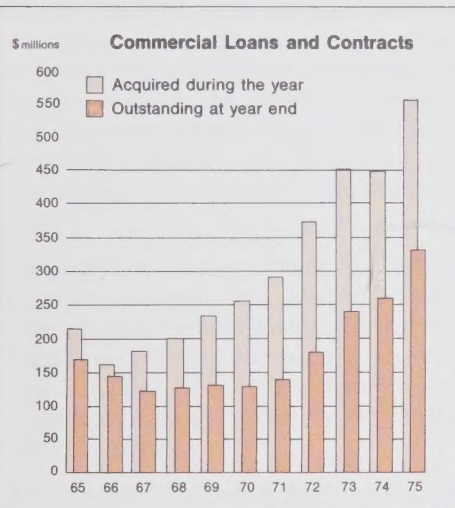
left to right

G. D. WALLACE, Senior Vice President
Business Financial Services

W. L. COCHRANE, Assistant Vice President
Corporate Loans and Leasing

J. C. HASLER, Vice President
Business Financial Services

J. M. WALLER, Vice President
Land Development and Commercial Mortgages



This marketing group provides a comprehensive range of financing packages and services to Canadian and international business.

Industrial and commercial equipment finance receivables expanded by 14 per cent. This increased business and improved yields led to higher profits, even though the year's credit loss expense was significantly higher than that of 1974.

The chief cause of higher delinquency and credit losses was the protracted strikes in the forestry industry in British Columbia and Ontario. Now that the strikes are over, improvement in delinquency rates in these areas is occurring, as expected.

In view of the national economic problems the company will continue selectivity in credit granting. Management and staff training courses will continue to be aimed at improvements in credit assessment, control, supervisory techniques and marketing.

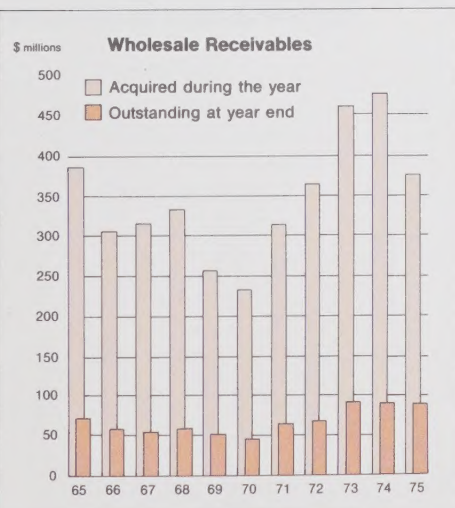
Because of the proposed reduction in spending programs by federal, provincial and municipal authorities, some reduction

in the purchase of highway construction equipment may result. However, this should be offset by capital spending in the private business sector. Some overall growth in equipment financing is expected in 1976.

Corporate loans and leasing operations realized a substantial increase in outstandings. Leasing rose from \$64 million to \$115 million. Excellent credit loss and delinquency experience reflects the high quality of corporate clients.

Major leases were concluded with several of Canada's leading industrial and crown corporations. During the year a computerized lease analysis program was introduced to more accurately assess profitability of the various alternatives and provide options for customers.

Increased lease outstandings are anticipated in 1976 although at a somewhat lower rate of growth than in the past year. Emphasis will be placed on expanding business term loans during 1976.





M. SUHL, President
Aetna Factors Corporation Ltd



H. N. CRAWFORD, Senior Vice President
International Operations

Aetna Factors Corporation Ltd. conducts factoring, accounts receivable and export-import financing services. The company experienced the best profit in its history, resulting in a profit contribution to Traders of \$499,000 compared with \$220,000 in 1974.

Receivables outstanding increased by over \$11 million while the volume of factored and commercial financing receivables acquired during the year increased by \$55 million.

The profit improvement was due to more stringent credit controls and improved operating methods, which resulted in the credit losses declining to \$952,000 compared with \$1,758,000 in 1974. It should be noted that even though there was a reduction in credit losses, the allowance for credit losses has been increased.

In January 1976, The Royal Bank of Canada completed the purchase of a 40 per cent ownership of Aetna.

In April a new branch will be opened in Vancouver and will become the first on the west coast for a major factoring company.

Some advance over the 1975 profit level is expected in 1976.

Traders international operations continued to reflect a profit but in view of overall world trading and economic conditions the decision was made to restrict growth during 1975, and consolidate existing business. Additional areas of diversification are being reviewed and moderate selective growth is anticipated in 1976.

Land Development Operations

The company's land development activities are concentrated in the suburban growth areas close to metropolitan communities and smaller centres in Ontario and Alberta.

With the exception of Toronto, the Ontario housing market in 1975 was unsettled with a wait-and-see attitude adopted by both builders and the public. However, housing demand in Alberta was strong and several large sales took place in the final quarter of the year.

Although company land inventory declined somewhat in 1974, it has now been brought to a higher level, that is, from 1341 acres in 1974 to 1768 acres in 1975.

The development and sale of fully serviced building lots continues to be the principal activity. However, in the spring of 1975, the company, after careful investigation entered into house and condominium building in Essex and Courtright, Ontario, and Edmonton, Alberta. Results have been satisfactory to date and a significant profit contribution is expected from this source in 1976.

Although the housing outlook for 1976 is mixed, the company has selected its holdings with care and has developed an experienced team of land and housing specialists. In Alberta where the company owns considerable property the market continues to be buoyant.

It is expected that while 1976 land sales may be somewhat lower, an increased contribution from building operations should ensure a satisfactory year.

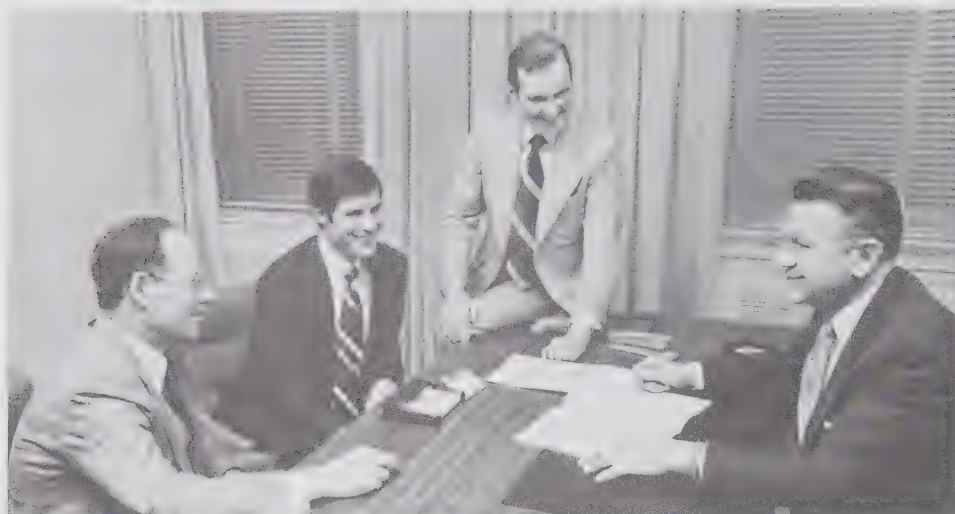
Summary of Assets and Liabilities (\$000's)

	November 30	
	1975	1974
ASSETS		
Cash	\$ 82	\$ 92
Mortgage receivable	11,605	6,773
Land inventory at development cost	12,347	6,218
Investments in associated companies, at equity value	912	891
Fixed assets (net of depreciation)	66	—
	<u>\$25,012</u>	<u>\$13,974</u>
LIABILITIES		
Payables	\$ 3,335	\$ 1,754
Bank loans	905	659
Mortgage payable	5,091	1,677
Income taxes (current and deferred)	2,552	1,540
Deferred gross margin on land sales	91	—
Advances from parent and associated companies	7,900	3,725
Traders investment, at equity value	5,138	4,619
	<u>\$25,012</u>	<u>\$13,974</u>

Summary Statement of Income (\$000's)

	Year ended November 30	
	1975	1974
Income		
Land sales	\$10,189	\$ 5,777
Deferral on gross margin	(91)	920
Other	684	510
	<u>10,782</u>	<u>7,207</u>
Investments in associated companies	284	486
	<u>11,066</u>	<u>7,693</u>
Expenses		
Cost of sales	7,416	4,128
General and administrative	855	537
	<u>8,271</u>	<u>4,665</u>
Income before income taxes	2,795	3,028
Income taxes	1,284	1,341
Net contribution to Traders	<u>\$ 1,511</u>	<u>\$ 1,687</u>

Financial Review



left to right

J. F. ELLIS
Assistant Treasurer and
Manager, Money Market
A. L. BUTLER,
Assistant Treasurer
E. A. A. WIGHTON
Vice President and Treasurer
G. C. BRAIN
Senior Vice President, Finance

Dividends

The 111th consecutive quarterly dividend on common shares was declared in October at 27½ cents payable January 1, 1976, increasing the annual dividend rate to \$1.10 per common share from \$1.00. Earnings available for common shares of \$11 million before extraordinary items, or \$2.47 per common share, provided a rate of return on average common equity of 13 per cent, compared with 11 per cent in 1974 and an average return of 10 per cent for the past ten years.

Shareholders and Capital

The number of Traders shareholders at the end of 1975 was 17,000 compared with 10,000 at the end of 1974. This increase was largely attributable to the share exchange offer relating to the acquisition of Acres Limited. On consolidation, Acres direct and indirect holdings in Traders are eliminated. The number of common shares effectively outstanding was 4,070,949 at December 31, 1975, compared with 5,021,170 shares at December 31, 1974. This reduced the average common shares effectively outstanding in 1975 to 4.467 million from 5.021 million in 1974.

Borrowings and Capital Structure

At year-end, capital funds (capital and surplus plus unsecured debt of the company) amounted to \$213.8 million compared with \$193.3 million a year earlier. While senior borrowings (secured debt of the company

plus debt of consolidated subsidiaries) increased to \$595 million from \$559 million, the year-end leverage ratio decreased to 2.8 to 1 from 2.9 to 1 at year-end 1974.

During 1975, Traders retired a subordinated note and two maturing debenture issues totalling \$21.5 million. These were replaced by two public issues in June and November: \$12.5 million of 11¼% debentures due June 15, 1990 and \$20 million of 11½% debentures due November 1, 1990. Both issues give holders a prepayment option in 1980 and also give Traders the right to increase the coupon rate on these issues to be effective after the early maturity date.

On January 6, 1975 Traders received the proceeds of a \$20 million 11¼%, 20 year senior secured note issue Series AQ. The holders have the right to elect prepayment on January 6, 1982 and the company has the right to increase the coupon rate effective after the early maturity date.

In March and April of 1976, Traders will receive the proceeds of two issues of senior secured notes: a private placement in the amount of \$20 million (U.S.) carrying a coupon of 10% due March 15, 1991 (Series AR), and a public issue in international markets in the amount of \$25 million (Canadian) due March 15, 1982. The latter issue has been rated 'A' by both Moody's and Standard & Poors.

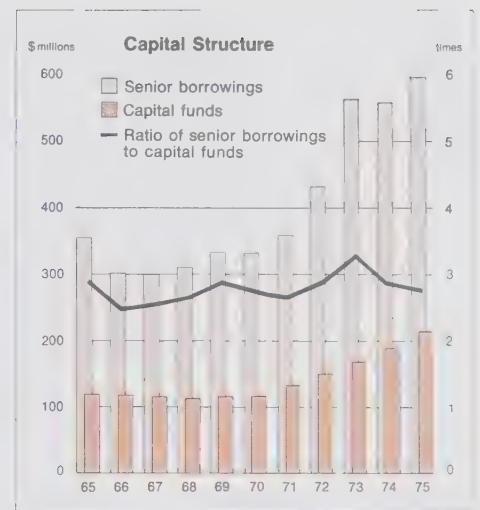
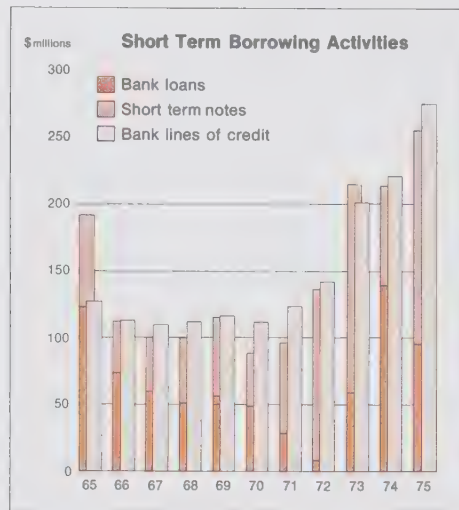
Money Markets

In January, 1975 short-term interest rates fell rapidly from the unusually high level which had prevailed during most of 1974. Early in the third quarter of 1975, short-term rates started to increase and at December 31, 1975 were at levels close to those at the 1974 year-end. In the first quarter of 1975, the Canadian bank prime rate declined from 11% to 9%, but in September it was increased to 9¼%.

Investor expectations of continuing inflationary trends have kept long-term interest rates at high levels. Traders effective overall cost of borrowing during 1975 was 8.86% compared with 9.31% during 1974. The average borrowing cost over the past ten year has been 7.52%.

Traders short-term notes are becoming a more popular investment in the money markets as institutions and small investors learn of the high quality of Traders debt securities. During 1975, Traders placed \$2.4 billion in short-term notes, a sharp increase over the 1974 volume of \$1.3 billion. During 1975, the average placement rate on these notes was 8½% compared with 10½% in 1974.

To support the increased short-term debt outstanding, Traders increased its bank credit lines to \$276.5 million at December 31, 1975 with ten Canadian banks and twenty-two banks in the United States. A year earlier lines totalled \$220.5 million.



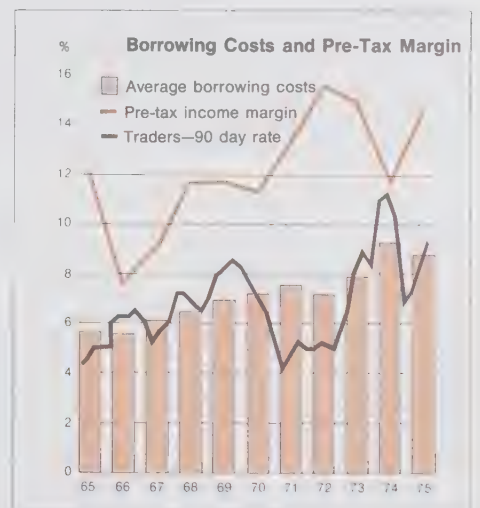
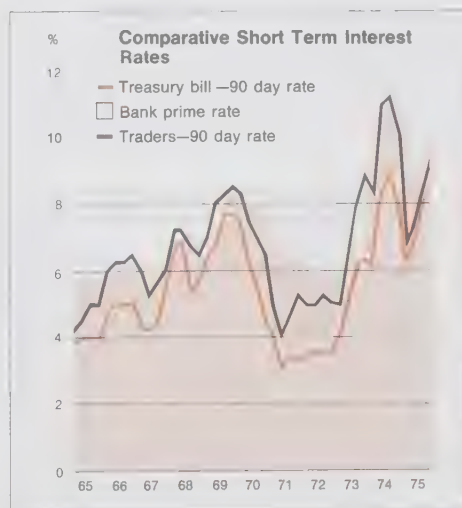
The outstanding short-term debt at year-end was \$255.8 million compared with \$213.4 million a year earlier.

Financial Statements

This year, accounts for the Canadian General Insurance Group are not included in the consolidated financial statements. The consolidated financial statements are a consolidation of Traders Group Limited, the largest operating company, and all its finance and land development subsidiaries. Traders investments in the Canadian General Insurance Group and in Guaranty Trust Company of Canada are included at their equity values in the consolidated balance sheet, and are supplemented by their financial statements elsewhere in this report. Summary financial statements for the land development operations are also included. Traders believes that this presentation of financial statements provides shareholders and investors with the most informative presentation.

Funding Activities (\$000's)

	December 31		Increase (Decrease)		Placements
	1975	1974	Amount	Percent	
Secured debt					
Short term notes					
—Bank	\$ 96,231	\$139,360	\$(43,129)	(30.9)%	
—Open market	159,603	74,076	85,527	115.5	\$2,429,669
Medium term notes	73,804	94,248	(20,444)	(21.7)	27,301
Long term notes	208,188	207,271	917	0.4	20,000
Unsecured debt	94,046	84,320	9,726	11.5	\$ 32,500
Capital and surplus	119,764	108,990	10,774	9.9	
Bank credit lines	\$276,500	\$220,500	\$ 56,000	25.4%	



Traders Group Limited
Corporate Services



left to right

L. C. WRIGHT, Senior Vice President, Administration
 D. F. POLS, Vice President and Controller
 W. C. ATTEWELL, Vice President, Planning and Analysis
 M. E. MURPHY, Vice President, Information Services



left to right

G. E. WHITLEY, Vice President
 Secretary and General Counsel
 J. F. VARCOE, Assistant Secretary
 and Manager Legal Department



left to right

D. K. CLARKSON, Vice President, Credit
 J. J. KEYSER, Vice President
 Personnel and Organization
 R. J. HEROLD, Vice President
 Advertising and Public Relations

Canadian General Insurance Group

The Canadian General Insurance Group reported a substantial profit improvement in 1975. The contribution to Traders earnings amounted to \$1,405,000 compared with \$281,000 in 1974.

Many management actions contributed to improved profit in the general insurance lines. Gross written premiums increased by 16%. To counteract the detrimental impact of inflation which particularly effected property policies, rates were increased to more realistic levels and policies which were historically written for a 3 year term were written or renewed on a 1 year basis. The group also stressed increasing coverage to reflect the escalation of property values in recent years. Higher deductibles were introduced in some lines.

Concentration was placed on improving the quality of business by more stringent underwriting practices, reduction of high hazard risks and withdrawal from some unprofitable territories.

Important to the results was the groups integration of company services, improved productivity and expense control.

1975 was a year of consolidating business and improving quality. There is now a sound base of business that should result in an even better return in the future. The group is now in a position to expand upon this excellent base. A newly appointed Vice

President, Marketing and his staff are currently expanding the agency force and will more aggressively pursue traditional lines.

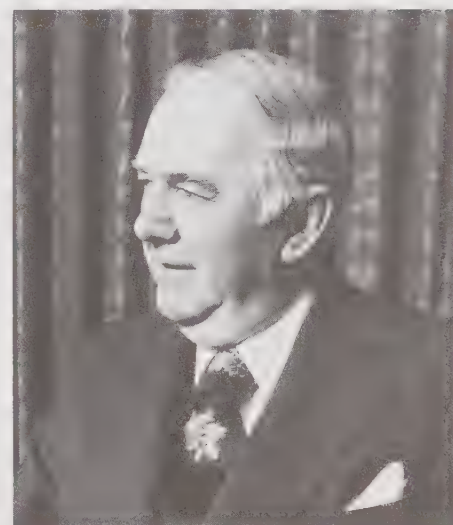
The outlook is good for continued improvement in the general insurance lines in 1976.

While Canadian General Life Insurance Company expanded its business during 1975, increased policyholder participation in the profits on certain large plans resulted in a marginal reduction in the company's profit. Claims and operating expenses remained at very satisfactory levels.

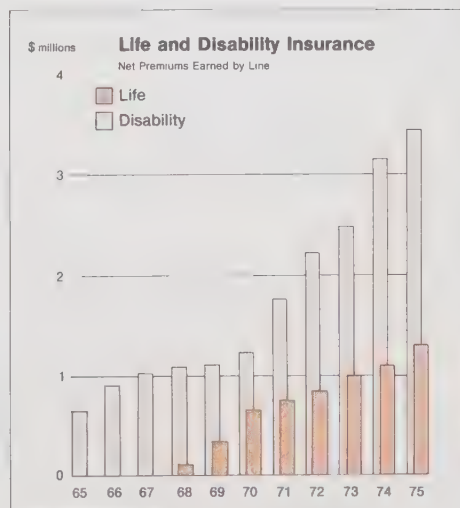
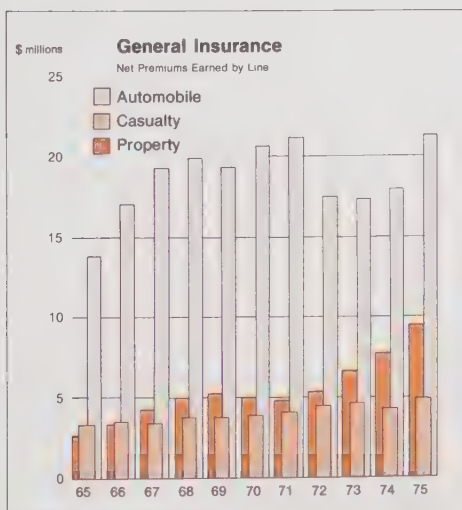
Although the company emphasizes the marketing of group life and disability income plans to professional associations, in 1976 a marketing division has been established, with its first office in Toronto, to service the individual policy market. The company looks forward to continued steady growth.



R. E. BETHELL, President
Canadian General Insurance Company



C. P. FLOOD, President
Canadian General Life Insurance Company



Guaranty Trust Company of Canada

Operating results improved substantially over those of the previous year. The company, now in its 50th year of business, has assets of more than a billion dollars. In 1975, revenue exceeded \$100 million for the first time.

Profit was \$1,863,000 or 34 cents a share compared to \$140,000 or 3 cents a share in 1974.

Mortgage revenues increased during the year. This was because of higher lending rates and the rewriting of \$49 million in long-term mortgages, \$15 million of which formerly carried interest rates of 6% per cent or less. Further yield improvement is anticipated during 1976.

Corporate loans grew from \$17.3 million to \$19.3 million during the year and further growth is expected. Consumer loans increased from \$46.7 million to \$57.4 million.

The quality of the loan portfolios is excellent and is reflected in the continuing low delinquency rates.

The total of demand and term deposits grew by \$145 million.

Revenue from fees and commissions continued to rise during 1975 as did profits from money market operations.

Corporate Pension Trust business increased by 143 per cent, resulting in an increase in income from this source. An independent measurement service has

noted that Guaranty's performance has been substantially better in recent years than that of most other pension fund managers.

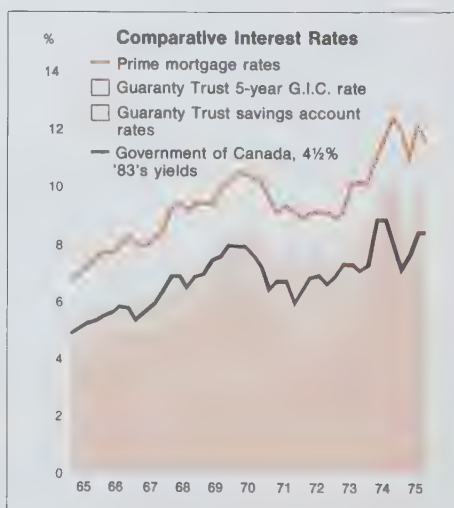
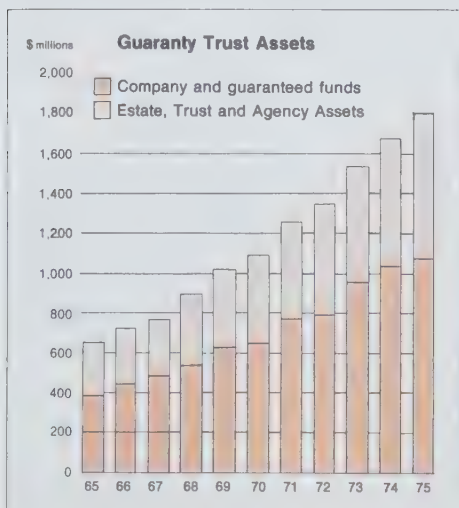
The introduction by government of the Registered Home Ownership Savings Plan, expanded the company's Registered Savings Plans.

Through increased computerization the trust company is able to serve a larger volume of business with relatively little change in the number of employees. Thus costs have been contained, and quality of service improved.

The company's substantial long-term investments, while a smaller percentage of the total portfolio, remains sensitive to changes in interest rates. Therefore, there will be a continued effort to offset the effects of rate fluctuations, where possible, to control expenses, and to improve revenues. The outlook is good for improved profits in the year ahead.



A. R. MARCHMENT
President and Chief Executive Officer
Guaranty Trust Company of Canada





Consolidated Financial Statements

AND CONSOLIDATED
SUBSIDIARIES

Traders Group Limited
and Consolidated Subsidiaries

Balance Sheet

(\$000's)

	December 31	
	1975	1974
Assets		
CASH (Note 2)	\$ 23,663	\$ 15,981
RECEIVABLES		
Finance, including \$425,654 due within one year (1974—\$390,006)		
Consumer	480,330	492,888
Commercial (Note 3)	335,522	258,205
Wholesale	88,055	90,164
	903,907	841,257
Loans to associated companies	16,903	17,923
	920,810	859,180
Less: Allowance for credit losses	18,147	15,464
	902,663	843,716
INVESTMENTS		
Land inventories of subsidiaries, at cost	12,347	6,218
Investments in associated companies, at equity value and other investments, at cost.	5,667	1,784
Investment in subsidiaries not consolidated, at equity value (Note 4)		
—Canadian General Insurance Group.	19,642	18,166
—Guaranty Trust Company of Canada	32,922	29,283
	70,578	55,451
OTHER ASSETS		
Receivables of Land Development subsidiaries and other receivables.	17,727	12,514
Income taxes recoverable	1,315	—
Fixed assets, at cost less accumulated depreciation of \$3,954 (1974—\$3,871).	3,399	3,418
Unamortized cost of borrowed money	4,410	3,867
	26,851	19,799
Approved by the Board		
H. E. DYNES, Director		
R. L. SHEARD, Director		
	\$1,023,755	\$934,947

	December 31	
	1975	1974
Liabilities		
PAYABLES		
Accounts payable and accrued expenses.	\$ 20,643	\$ 20,009
Wholesale due to manufacturers	9,159	13,015
Dividends payable.	2,751	1,973
Dealers' balances and factoring liabilities	36,748	22,914
Income taxes payable	—	869
	<u>69,301</u>	<u>58,780</u>
DEFERRED CREDITS		
Unearned finance charges.	122,481	109,377
Deferred gross margin on land sales.	91	—
Deferred income taxes	22,520	13,503
	<u>145,092</u>	<u>122,880</u>
SECURED DEBT OF THE COMPANY (Note 5)		
Due within one year		
Short term	255,834	213,436
Medium and long term	59,698	62,346
Due beyond one year.	248,374	255,993
	<u>563,906</u>	<u>531,775</u>
DEBT OF SUBSIDIARIES (Note 5)		
Due within one year.	24,286	23,053
Due beyond one year.	6,762	4,636
	<u>31,048</u>	<u>27,689</u>
UNSECURED DEBT OF THE COMPANY (Note 5)		
Due within one year.	8,663	25,061
Due beyond one year.	85,383	59,259
	<u>94,046</u>	<u>84,320</u>
MINORITY INTEREST in consolidated subsidiaries	598	513
CAPITAL AND SURPLUS (Note 5)		
Preferred shares	36,888	20,877
Common shares	49,506	33,404
	<u>86,394</u>	<u>54,281</u>
Surplus.	61,419	54,709
	<u>147,813</u>	<u>108,990</u>
Elimination of inter-company holdings (Note 6)	(28,049)	—
	<u>119,764</u>	<u>108,990</u>
The accompanying notes form an integral part of the consolidated financial statements.		
	<u>\$1,023,755</u>	<u>\$934,947</u>

Traders Group Limited
and Consolidated Subsidiaries

Statement of Surplus

(\$000's)

	Year ended December 31	
	1975	1974
BALANCE AT BEGINNING OF YEAR	\$54,709	\$47,569
Adjustments arising during the year—		
Change in holdings in subsidiaries	(243)	2,107
Amortization of cost of issuing preferred shares, net of gain on redemption	64	62
Cost of issuing shares (net of income taxes) (Note 6).	(209)	—
Purchase of income funding rights	(42)	—
	54,279	49,738
NET INCOME AFTER EXTRAORDINARY ITEMS	13,776	11,086
Less: Dividends on preferred shares—		
4½%	136	135
5%	58	58
5%, Series A	122	135
\$2.16, Series B	470	485
10¼%	768	281
7½%	702	—
	2,256	1,094
EARNINGS AVAILABLE FOR COMMON SHARES (Note 5).	11,520	9,992
Less: Dividends on common shares—net of intercompany holdings (1975—\$1.02½ per share; 1974—\$1.00 per share)	4,380	5,021
EARNINGS RETAINED FOR THE YEAR	7,140	4,971
BALANCE AT END OF YEAR of which \$1.8 million is designated as capital surplus under the Canada Corporations Act	\$61,419	\$54,709

Earnings Per Common Share

EARNINGS PER COMMON SHARE (Note 5)		
Before extraordinary items	\$ 2.47	\$ 1.81
After extraordinary items	\$ 2.58	\$ 1.99
Weighted average number of common shares outstanding after intercompany elimination (000's)	4,467	5,021

Traders Group Limited
and Consolidated Subsidiaries

Statement of Net Income
(\$000's)

	Year ended December 31	
	1975	1974
GROSS OPERATING INCOME		
Finance	\$116,065	\$115,821
Land Development	10,782	7,207
	126,847	123,028
INVESTMENT INCOME		
Land Development	284	486
Equity share in net income of subsidiaries not consolidated		
—Guaranty Trust Company of Canada	1,102	71
—Canadian General Insurance Group	1,405	281
Other (Note 7)	462	(151)
Total income	130,100	123,715
DIRECT OPERATING CHARGES		
Interest expense		
Secured debt of the Company—short term	19,354	22,681
—medium and long term	24,650	26,336
Debt of subsidiaries	3,004	3,151
Unsecured debt of the Company	7,510	7,386
Other borrowing costs	923	644
	55,441	60,198
Provision for credit losses	8,531	6,696
Cost of sales—land development	7,416	4,128
Commissions and other direct charges	1,984	2,228
	73,372	73,250
GENERAL AND ADMINISTRATIVE EXPENSES		
Personnel costs	18,721	17,380
Other	14,738	14,080
Total expenses	106,831	104,710
INCOME before income taxes and minority interest	23,269	19,005
Income taxes (including deferred \$8,890; 1974—\$4,734)	9,703	8,751
	13,566	10,254
Minority interest in net income of consolidated subsidiaries	269	94
NET INCOME before extraordinary items	13,297	10,160
EXTRAORDINARY ITEMS		
Income taxes realized on the carry forward of past losses	16	—
Capital gain on sale of shares of subsidiary	463	926
NET INCOME after extraordinary items	\$ 13,776	\$ 11,086

Statement of Changes in Financial Position

(\$000's)

	Increase (decrease) year ended December 31	
	1975	1974
CHANGES IN CONSOLIDATED ASSETS		
CASH	\$ 7,682	\$ 1,685
RECEIVABLES (net of unearned finance charges and allowance for credit losses)	45,843	11,779
INVESTMENTS		
Land inventories of subsidiaries	6,129	(511)
Associated companies and other investments	3,883	57
Canadian General Insurance Group	1,476	375
Guaranty Trust Company of Canada	3,639	6,434
	15,127	6,355
OTHER ASSETS	7,052	(1,908)
NET INCREASE in consolidated assets	\$ 75,704	\$ 17,911

SOURCES OF FUNDS TO FINANCE THE INCREASE IN CONSOLIDATED ASSETS

DEBT		
Secured	\$ 32,131	\$(13,917)
Debt of subsidiaries	3,359	7,251
Unsecured debt of the Company	9,726	5,539
	45,216	(1,127)
EQUITY		
Share capital	32,113	7,013
Increase in surplus	6,710	7,140
Elimination of inter-company holdings (Note 6)	(28,049)	—
	10,774	14,153
OTHER LIABILITIES AND DEFERRED CREDITS		
Payables	10,521	908
Deferred gross margin on land sales	91	(920)
Deferred income taxes	9,017	4,734
Minority interest in consolidated subsidiaries	85	163
	19,714	4,885
	\$ 75,704	\$ 17,911

The above statement shows the changes in consolidated assets from the prior year end, and the three major sources of funds (debt, equity and other liabilities and deferred credits).

A conventional statement of changes in financial position is not appropriate to finance companies

since "working capital" for such companies includes long term receivables and long term debt as well as current items. The above statement has been designed to show comparable information appropriate to the operations of the Company's business.

Notes to the Financial Statements

December 31, 1975

1. Accounting practices

The major accounting practices followed by the Company and its consolidated subsidiaries are outlined on page 23.

These financial statements comply with all disclosure requirements of the Canada Corporations Act, but do not purport to conform with all disclosure requirements of the Companies Act of British Columbia.

2. Cash

Cash includes \$21.8 million (1974 \$15.8 million) in balances in U.S. banks maintained in accordance with agreements for lines of credit with these banks.

3. Commercial finance receivables

Included in commercial finance receivables, are lease receivables aggregating \$115.5 million, as follows:

	(\$000's)	
	1975	1974
Aggregate rentals receivables	\$109,674	\$58,686
Residuals on expiry of leases:		
Contractual	3,993	3,505
Non-contractual	1,820	1,820
	<u>\$115,487</u>	<u>\$64,011</u>

4. Investment in subsidiaries not consolidated

Canadian General Insurance Group—

In 1975 the Company changed its accounting practice for the Canadian General Insurance Group from a consolidated to an equity basis as outlined in the accounting practices on page 23.

Guaranty Trust Company of Canada—

The investment in Guaranty Trust Company of Canada includes a subordinated capital note for \$3.0 million purchased during 1975.

Summary financial statements of these subsidiary companies appear on pages 34 to 37.

5. Capitalization

Details of the secured and unsecured debt, capital position and potential dilution are included in the Capitalization Schedule on pages 24 to 27.

6. Acquisition of Acres Limited

During the year the Company made share exchange offers to the shareholders of Acres Limited ("Acres") on the basis of one Traders 7½% preferred share of \$50 par value for each 7.2% preference share of Acres and 3 Traders Class A common shares plus \$5 cash for each five common shares of Acres. The Company had acquired 99.8% of the Acres preference and common shares by December 31, 1975. The acquisition has been accounted for as a purchase on June 2, 1975, the date on which the Company became bound by its offers and earnings of Acres have been consolidated from that date.

The purchase price has been calculated on the basis of issuing the 7½% preferred shares at par and the Class A common shares at \$13.50 each. Costs of issuing the shares have been charged against consolidated surplus.

The purchase price was calculated as:

	(\$000's)	
330,359 preferred shares issued to December 31, 1975 have been recorded as the cost of preference shares acquired.		\$16,518
1,192,623 Class A common shares issued to December 31, 1975 at \$13.50	\$ 16,100	
Cash payments and cash purchases to December 31, 1975	2,004	
Amount provided for purchases after December 31, 1975	69	18,173
		<u>\$34,691</u>
Tangible net assets acquired at Acres book value were:		
—total assets	58,832	
—less: total liabilities	8,668	
	<u>\$ 50,164</u>	

The purchase price has been allocated as:

Shares of Acres Consulting Services Limited, at Acres book value (Note 7) . .	\$ 4,129	
Debt and current account	1,850	\$ 5,979
Investment in shares at Acres book value	5,483	
Less: adjustment to reflect cost to the Company	1,541	3,942
Other assets and liabilities, at Acres book value.		(3,279)
		6,642
Balance of purchase price allocated to shares of Traders Group Limited held directly and indirectly by Acres—		
Acres book value	41,981	
Less: adjustment to reflect cost to the Company	13,932	
Inter-company holdings eliminated on consolidation		28,049
		<u>\$34,691</u>

The common shares of Traders Group Limited held by Acres and Canadian General Securities Limited at December 31, 1975 and the portion eliminated on consolidation are as follows:

	Common Shares		
	Class A	Class B	Total
Held by Canadian General Securities Limited	275,080	582,794	857,874
Applicable to Acres—66.3175% thereof	182,426	386,494	568,920
Held directly by Acres.	1,484,659	89,390	1,574,049
Total eliminated on consolidation	1,667,085	475,884	2,142,969

7. Sale of Acres Consulting Services Limited

Acres Consulting Services Limited, was sold at book value in 1975 to its senior staff. Income from this investment is included in other investment income.

8. Extraordinary item

In 1972, the Company entered into an agreement to sell a 30% interest in Aetna Factors Corporation Ltd. to a Canadian chartered bank on the basis of 10% in 1973, 10% in 1974, and 5% in each of 1975 and 1976.

The initial two sales of 10% each were completed on January 2, 1973 and 1974, and the resulting capital gains reflected in the results of those years as extraordinary items. The 1975 sale was completed on January 2, 1975, and a capital gain of \$463,000 was realized. The final sale of 5% was completed on January 2, 1976 and a capital gain of \$463,000 realized.

9. Contingent liabilities

The Company and its subsidiaries, in the normal course of business, have guaranteed letters of credit and bank loans on behalf of customers, and bank loans of associated companies, in the aggregate amount of \$10.0 million at December 31, 1975.

An insurance subsidiary is being sued for damages of \$6.5 million for breach of contract. Legal counsel advises that this action has no merit.

10. Foreign exchange

Debt of the company due beyond one year in foreign currencies is carried at the Canadian funds received at date of issue. The total Canadian dollar liability on such notes at current rates of exchange at December 31, 1975 is less than the Canadian funds received at date of issue, indicating a contingent future foreign exchange gain of approximately \$2.1 million. Foreign exchange conditions in the future could alter this position materially.

11. Remuneration of directors and officers

The aggregate direct remuneration paid to the directors and senior officers of the Company during the year ended December 31, 1975 was:

	As directors		As officers	
	Number	Amount (\$'000's)	Number	Amount (\$'000's)
Paid by the Company	16	47	24	1,299
Paid by subsidiaries.	9	33	3	182

Five officers and two past officers were also directors of the Company.

12. Anti-Inflation Act

The Company is subject to the Anti-Inflation Act—Canada, which provides for controls on prices, profits, compensation, and dividends effective from October 14, 1975. The possible effect of the Act on the Company's operations cannot be fully determined.

Accounting Practices

Principles of Consolidation

The consolidated financial statements include the accounts of all subsidiaries except Guaranty Trust Company of Canada and the Canadian General Insurance Group because their assets and investments are regulated and are not interchangeable with those of the Company.

All subsidiaries have a fiscal year-end of December 31, except for the Land Development companies whose fiscal year-ends are November 30. Accordingly, the consolidated financial statements include their accounts as of November 30, 1975 and the results of their operations for the year then ended.

Associated Companies

The Company and certain subsidiaries hold up to 50% of the equity shares in a number of associated companies. The investments in associated companies are carried at cost plus excess of earnings over dividends received from date of acquisition. Income pertaining to these investments is accounted for on an equity basis.

Foreign Exchange

Foreign currency receivables and debt of the Company due within one year are translated to Canadian dollars at either the exchange rate at balance sheet date or at forward contract rates where such contracts have been made. Foreign currency receivables and debt of the Company due beyond one year are included in the con-

solidated financial statements at the Canadian dollar amount received at date of issue.

Foreign cash balances of the Company are translated to Canadian dollars at the exchange rate at balance sheet date.

The financial statements of foreign subsidiaries have been translated to Canadian dollars at the exchange rate in effect at the balance sheet date.

Realized gains or losses arising from market exchange fluctuations are reflected in current operations, while those arising from revaluation of foreign currencies are recorded as extraordinary items.

Unearned and Deferred Income

Unearned income on lease contracts and certain long term instalment contracts is computed on an actuarial yield basis. Unearned income on other instalment contracts is computed by the sum of the digits method.

Land Development subsidiaries defer gross margins on land sales until at least 15% of the sale price has been received in cash.

Land Inventories of Subsidiaries

Land development and carrying costs are accumulated in the carrying value of land and charged against income proportionate to the sales to date of each development. Land is carried at development cost to date, but not in excess of estimated market value.

Principal Subsidiary Companies

Consolidated Subsidiaries	Effective % held by Traders	Investment at cost and advances from Traders (\$000's)
FINANCE GROUP		
Trans Canada Credit Corporation Limited.	100.0%	\$ 14,028
Traders Homeplan Limited and subsidiaries	99.9	141,780
Traders Realty Limited.	100.0	13,434
Traders Finance Corporation (1966) Limited	100.0	1,118
Aetna Factors Corporation Ltd. and subsidiaries	65.0	7,266
Traders Finance S.A. and subsidiaries	100.0	8,439
Acres Limited	99.8	6,642*
LAND DEVELOPMENT		
Forest Glenn (Dixie) Limited and subsidiaries	100.0	**
Traders Developments Limited and subsidiaries	100.0	**
Subsidiaries not consolidated		
Canadian General Insurance Group.	98.8	2,693
Guaranty Trust Company of Canada	58.6%	\$ 33,061

* After elimination of \$28,049 inter-company holdings.

** Cost of investment less than one thousand dollars.

Capitalization

December 31, 1975

Secured Debt (\$'000's)

The senior secured notes of the Company are secured by a first specific charge on finance receivables and eligible securities, and a first floating charge on the undertaking and certain other property and assets of the Company.

	Due within one year	Due beyond one year	Total
Traders Group Limited			
SENIOR SECURED DEBT			
Short term notes:			
Bank loans			
—in Canadian funds	\$ 45,250		\$ 45,250
—in U.S. funds at forward exchange rates. . .	50,981		50,981
Other			
—in Canadian funds	147,805		147,805
—in U.S. funds at forward exchange rates. . .	11,798		11,798
	<u>255,834</u>		<u>255,834</u>
Medium term maturing 1976 to 1980	43,327	\$ 30,477	73,804
Long term	15,112	193,076	208,188
	<u>58,439</u>	<u>223,553</u>	<u>281,992</u>
OTHER SECURED DEBT	1,259	24,821	26,080
TOTAL SECURED DEBT	<u>\$315,532</u>	<u>\$248,374</u>	<u>\$563,906</u>

MEDIUM TERM NOTES MATURE IN

1976	\$43,327
1977	28,507
1978	1,800
1979	145
1980	25
	<u>\$73,804</u>

LONG TERM SENIOR SECURED NOTES

Series	Maturity dates	Maximum annual purchase fund	Issued	Outstanding
4½% S	April 1, 1976	\$ —	\$ 10,000	\$ 10,000
5¾% V	May 1, 1977	—	10,000 u.s.	9,534
5¾% X	April 1, 1979	—	7,500	7,500
6¾% AF	June 15, 1981	250	10,000	7,755
5¾% Y	September 15, 1981	375	15,000	11,084
5¾% Z	April 15, 1983	250	10,000	8,502
5¼% AA	May 15, 1983	250 u.s.	10,000 u.s.	9,677
5¾% AB	May 1, 1984	250	10,000	8,164
5¾% AC	September 15, 1984	375	15,000	11,104
5¾% AD	April 15, 1985	375	15,000	11,800
6¼% AE	April 1, 1986	—	12,500 u.s.	13,457
7¾% AH	December 1, 1986	79	3,150	2,527
7¼% AI	July 1, 1987	—	17,700 u.s.	19,034

Series	Maturity dates	Maximum annual purchase fund	Issued	Outstanding
7¾% AJ	September 15, 1987	125	5,000	4,113
8% AK	December 1, 1988	772 u.s.	15,450 u.s.	15,200
8¾% AL	December 15, 1988	8	306	294
9¾% AM	December 15, 1989	29	1,165	1,157
9½% AN	May 15, 1990	5	215	215
10½% AO	October 15, 1990	913 u.s.	14,600 u.s.	13,430
9% AP	February 15, 1991	625	25,000	23,641
11¼% AQ ⁽ⁱ⁾	January 6, 1995	400	20,000	20,000
		<u>\$ 1,935 u.s.</u>		
		<u>\$ 3,146</u>		<u>\$208,188</u>

- (i) The holders of Series AQ Notes maturing January 6, 1995 have the right to elect prepayment on January 6, 1982. Such election may only be made after July 1, 1981 and prior to December 4, 1981.

OTHER SECURED DEBT

The Company has obligations of \$26.1 million secured on real and other property, bearing current interest rates from 7.25% to 10.25% and payable from 1976 through 1990.

Unsecured Debt (\$000's)

Traders Group Limited

DEBENTURES

Series	Maturity dates	Maximum annual purchase fund	Issued	Outstanding
9½%	June 15, 1976	\$ —	\$ 6,466	\$ 6,466
9¾%	November 2, 1980	72	2,416	2,416
6%	October 15, 1982	225	7,500	5,373
6%	November 1, 1984	180	6,000	4,611
6%	June 1, 1985	120	4,000	3,144
11¼%(i)	June 15, 1990	250	12,500	12,500
11½%(i)	November 1, 1990	600	20,000	20,000
9½%	June 15, 1991	—	3,534	3,534
8¾%(i)	October 15, 1992	—	12,500	12,500
8¾%	May 1, 1993	375	12,500	11,749
9%	October 15, 1993	375	12,500	11,753
		<u>\$ 2,197</u>		<u>\$ 94,046</u>

- (i) The holders of the following series have the right to elect that the Company shall pay such debentures at the early maturity date indicated below:

Series	After	Prior to	Early maturity date
11¼% June 15, 1990	December 15, 1979	May 15, 1980	June 15, 1980
11½% November 1, 1990	May 15, 1980	October 15, 1980	November 15, 1980
8¾% October 15, 1992	October 15, 1981	April 15, 1982	October 15, 1982

A purchase fund will apply to the 8¾% debentures outstanding after October 15, 1982.

Capitalization (continued)

DEBT OF SUBSIDIARIES

Bearing current interest rates from 6.25% to 11.25% and maturing from 1976 to 1981

	Due within one year	Due beyond one year	Total
Finance subsidiaries			
Canada	\$14,829	\$ 3,638	\$18,467
International	6,390	195	6,585
	21,219	3,833	25,052
Other subsidiaries	3,067	2,929	5,996
	<u>\$24,286</u>	<u>\$ 6,762</u>	<u>\$31,048</u>

Share Capital CUMULATIVE REDEEMABLE PREFERRED SHARES

	Authorized		Issued and outstanding	
	Shares	Amount (\$000's)	Shares	Amount (\$000's)
4½%, par value \$100	35,000	\$ 3,500	35,000	\$ 3,500
Less: held by subsidiaries			5,135	513
			<u>29,865</u>	<u>2,987</u>
5%, par value \$40	29,149	\$ 1,166	29,149	1,166
Shares issuable in series, par value \$30	351,917	\$10,558		
Series A, 5%			84,895	2,547
Less: cancelled by purchase during 1975			9,692	291
			<u>75,203</u>	<u>2,256</u>
Series B, \$2.16			222,200	6,666
Less: cancelled by purchase during 1975			6,658	200
			<u>215,542</u>	<u>6,466</u>
Shares issuable in series, par value \$10	5,000,000	\$50,000		
10¼% preferred shares			750,000	7,500
Less: cancelled by purchase during 1975			500	5
			<u>749,500</u>	<u>7,495</u>
7½%, par value \$50, issued during 1975 (i) (Note 6)	331,100	\$16,555	330,359	16,518
				<u>\$36,888</u>

(i) Supplementary letters patent were issued to the Company on May 30, 1975, creating 331,100 7½% preferred shares with a par value of \$50 each.

The terms of issue of Series A, Series B, 10¼% and 7½% preferred shares include provisions by which the Company is to provide (subject to certain conditions) the following purchase fund for the purchase and cancellation of these preferred shares:

	Maximum purchase price per share	Annual purchase fund (\$000's)
Series A	\$28	\$ 210
Series B	\$30	\$ 150
10¼% shares	\$10	\$ 750
7½% shares	\$50	\$ 166
		<u>\$1,276</u>

The Company has fulfilled its purchase fund obligations to December 31, 1975.

**COMMON SHARES WITHOUT
NOMINAL OR PAR VALUE**

	<u>Authorized</u>	<u>Issued and outstanding</u>	
		<u>Shares</u>	<u>Amount</u> (\$000's)
Class A (i)	10,000,000	4,301,170	\$32,924
Add: issued in 1975—			
For Acres share exchange (Note 6)		1,192,623	16,100
On exercise of 1969 warrants		125	2
		5,493,918	49,026
Class B	720,000	720,000	480
		6,213,918	\$49,506
Less—elimination of shares held directly and indirectly through Acres (Note 6)		2,142,969	
Common shares effectively outstanding.		4,070,949	

(i) Supplementary letters patent were issued to the Company on May 30, 1975, increasing the authorized number of Class A common shares to 10,000,000.

Class A common shares reserved for issue at December 31, 1975 were:

	<u>Expiry date</u>	<u>Exercise Price</u>	<u>Number of shares reserved</u>
On exercise of share purchase warrants:			
1966 warrants issued with Series AF			
Senior Secured Notes	June 15, 1976	\$13	198,040
1969 warrants issued to Series B			
preferred shareholders in that year	October 31, 1979	\$13	249,520
			447,560

If imputed earnings on the proceeds from exercise of the above warrants were calculated at the average rate of return for the period on actual outstanding equity, the dilution from actual earnings per share would have been insignificant.

Auditors' Report

February 18, 1976

To the Shareholders of
Traders Group Limited

We have examined the balance sheet of Traders Group Limited and Consolidated Subsidiaries as at December 31, 1975 and the statements of net income, surplus and changes in financial position for the year then ended. Our examination of Traders Group Limited and the subsidiaries of which we are the auditors, included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of Aetna Factors Corporation Ltd. and subsidiaries. The assets of these companies, as included in the consoli-

dated balance sheet amounted to 6.0% of the total consolidated assets.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1975 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in consolidation practice for the Canadian General Insurance Group as referred to in Note 4, with which we concur, on a basis consistent with that of the preceding year.

PRICE WATERHOUSE & CO.
Chartered Accountants
Toronto, Canada

Policies and Practices

Accounting Practices

Accounting practices are presented as an integral part of the consolidated financial statements on page 23.

Lending Policy

Loan applications are subject to prudent credit policies. Specific credit-granting limits are assigned to management, according to their position, experience and proven capabilities. The larger a transaction, the more senior the level of management authorized to grant approval. All transactions exceeding \$1 million must be approved by the Executive Committee of the Board of Directors.

The Company has a policy not to provide financing to any concerns in which its officers, directors, major stockholders, or their families have a beneficial interest.

Allowance for Losses

The allowance for losses is established as the result of regular detailed analyses of individual delinquent accounts. In addition to specific reserves, a general reserve is established based on a percentage of outstandings determined by the characteristics of the particular class of receivable, past write-off experience, and other related considerations. The Company's auditors review these analyses.

Write-offs of Finance Receivables

Credit losses are written-off monthly, as soon as identified, after all reasonable effort has been made to effect recovery from the obligant, collateral, or guarantor.

In addition, direct cash loans are written-off if no instalment has been received for six months; consumer financing receivables are written-off if no instalment has been received for nine months; residential mortgages are written-off if no instalment has been received for twelve months. Discretionary power is afforded divisional management for accounts on which collectability is imminent.

Rewrites and Extensions

A rewrite, or a renewal, is a change in both the maturity of the account and the amount

of the instalments. New documentation is completed with the customer and the appropriate guarantors.

An extension is the deferment of an instalment to a later date, to accommodate a temporary financial problem of the customer.

A renewal or extension may be allowed only if the customer's situation has changed significantly and his current credit position does justify such a change.

Delinquencies

For statistical purposes, a delinquent account is one on which 90% or more of an instalment is past due thirty days or more.

For collateral valuations, all past due instalments and all balances past due 90 days or more are deducted.

Traders Pension Plan

Traders has operated an employee pension plan for thirty-three years. The plan is contributory, providing for normal retirement at age sixty-five and voluntary retirement without penalty at age sixty-two. Pension benefits are based upon an employee's final five year average earnings. The employees' contributions were supplemented by Company contributions of \$540,000 in 1975 and \$742,000 in 1974 to keep the plan fully funded, based on current actuarial valuations.

The Traders Pension Fund, not reflected in the consolidated financial statements, is administered independently by Trustees on behalf of the members of the plan.

Personnel at year end	1975	1974
Finance	1,543	1,519
Land development	19	9
Insurance	430	386
Guaranty Trust	1,053	1,026
	<u>3,045</u>	<u>2,940</u>

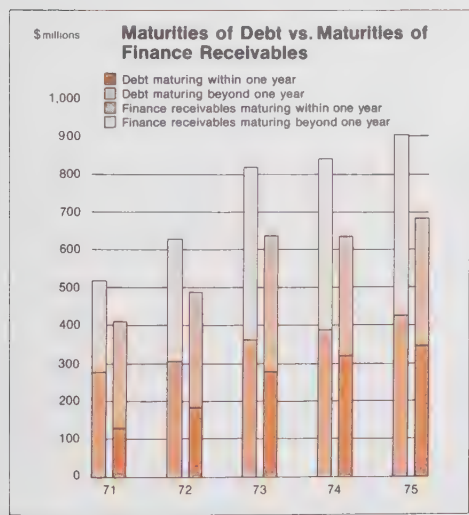
Bankers

- IN CANADA** (10)
 Bank of British Columbia
 Bank of Montreal
 Bank Canadian National
 Canadian Imperial Bank of Commerce
 The Bank of Nova Scotia
 The Mercantile Bank of Canada
 The Provincial Bank of Canada
 The Royal Bank of Canada
 The Toronto-Dominion Bank
 Unity Bank of Canada

Manufacturers Hanover Trust Company
 Manufacturers National Bank of Detroit
 Marine Midland Bank
 Mellon Bank, N.A.
 National Bank of Detroit
 New Jersey Bank, National Association
 Seattle-First National Bank
 Security Pacific National Bank
 Swiss Bank Corporation
 The Chase Manhattan Bank, National Association
 The Cleveland Trust Company
 The First National Bank of Boston
 The First National Bank of Chicago
 Union Bank
 United California Bank
 Wells Fargo Bank, National Association
- IN THE UNITED STATES OF AMERICA** (23)
 Bank of America
 Bankers Trust Company
 Chemical Bank
 Citibank, N.A.
 Continental Illinois National Bank and Trust Company of Chicago
 Crocker National Bank
 Irving Trust Company

IN EUROPE (2)
 Western American Bank (Europe) Limited
 International Commercial Bank Limited

Consolidated Summary of Maturities (\$000's)



Maturity Dates Within:	Assets		Liabilities		Difference
	Receivables	Other	Debt	Other	
1976	\$425,654	\$ 23,663	\$345,414	\$66,812	\$ 37,091
1977	173,069	—	47,128	—	125,941
1978	127,727	—	14,215	—	113,512
1979	60,500	—	16,057	—	44,443
1980	53,678	—	38,796	—	14,882
	840,628	23,663	461,610	66,812	335,869
Beyond 1980	63,279	—	221,394	—	(158,115)
Finance	903,907	23,663	683,004	66,812	177,754
Unearned income	(122,481)	—	—	—	(122,481)
Loans to associated companies . . .	16,903	—	—	—	16,903
Allowance for credit losses .	(18,147)	—	—	—	(18,147)
Land development and other	17,727	79,702	5,996	25,698	65,735
	\$797,909	\$103,365	\$689,000	\$92,510	\$119,764

Consolidated Eleven Year Highlights

(amounts in thousands, except where noted)

EARNINGS AND DIVIDENDS

Net income by source

	1975	1974
Finance	\$ 9,279	\$ 8,121
Land development	1,511	1,687
Canadian General Insurance Group	1,405	281
Guaranty Trust.	1,102	71
Frankel Steel (sold in 1971).	—	—
	13,297	10,160
Preferred dividends	2,256	1,094
Earnings for common shareholders	11,041	9,066
Extraordinary items	479	926
	\$ 11,520	\$ 9,992

Per common share (dollars)

Earnings before extraordinary items	\$ 2.47	\$ 1.81
Earnings after extraordinary items.	2.58	1.99
Dividends—declared	1.02½	1.00
—paid.	1.00	1.00
Book value, at year end	20.36	17.55
Market price range of Class A common shares (dollars).	15½-10%	17½-8½
Closing price, at year-end, of Class A common shares (dollars).	\$ 14	\$ 10%
Annual volume of Class A common shares traded	718.0	644.7
Mean price earnings ratio.	5.3 ×	7.2 ×
Times fixed charges earned	1.40 ×	1.31 ×
Return on average annual assets	1.13%	0.93%
Return on average annual common equity	13.0%	10.7%
Monthly average of common shares outstanding	4,467	5,021
Number of shareholders, at year-end	16.7	9.8

CANADIAN GENERAL INSURANCE GROUP

Life insurance in force	\$ 398,112	\$ 361,620
Net premiums earned		
General.	35,765	30,274
Life and Disability.	4,737	4,301
	40,502	34,575
Net contribution to Traders		
General.	975	(157)
Life and Disability (acquired in 1972).	430	438
	\$ 1,405	\$ 281
Ratios		
Losses to earned premiums	66.8%	71.8%
Other expenses to written premiums	30.9	34.4
Combined ratio	97.7	106.2
Net rate of interest earned (life portfolio).	7.29%	7.91%

GUARANTY TRUST COMPANY OF CANADA

Assets under administration		
Company and Guaranteed Funds	\$1,086,179	\$1,034,722
Estates, Trusts and Agency Assets	735,700	629,000
Total assets under administration	1,821,879	1,663,722
Mortgages	748,132	742,193
Guaranteed Trust Funds	1,024,331	975,320
Gross Revenues	100,167	93,166
Net income	1,863	140
Net contribution to Traders.	\$ 1,102	\$ 71

1973	1972	1971	1970	1969	1968	1967	1966	1965
\$ 6,470	\$ 6,450	\$ 6,061	\$ 5,542	\$ 4,062	\$ 3,315	\$ 1,736	\$ 1,351	\$ 3,313
1,537	843	457	376	329	303	289	281	172
1,760	1,201	(192)	(853)	989	1,464	1,917	1,368	991
1,448	2,100	1,467	353	353	339	318	282	240
—	—	113	359	501	545	518	861	850
11,215	10,594	7,906	5,777	6,234	5,966	4,778	4,143	5,566
843	879	1,066	1,191	1,015	693	711	724	336
10,372	9,715	6,840	4,586	5,219	5,273	4,067	3,419	5,230
953	—	7,379	—	—	—	—	—	—
\$ 11,325	\$ 9,715	\$ 14,219	\$ 4,586	\$ 5,219	\$ 5,273	\$ 4,067	\$ 3,419	\$ 5,230
\$ 2.07	\$ 2.01	\$ 1.50	\$ 1.03	\$ 1.18	\$ 1.19	\$ 0.92	\$ 0.77	\$ 1.18
2.26	2.01	3.11	1.03	1.18	1.19	0.92	0.77	1.18
0.90	0.75	0.72½	0.60	0.60	0.60	0.60	0.80	0.80
0.85	0.82½	0.60	0.60	0.60	0.60	0.65	0.80	0.80
16.13	16.27	15.20	12.00	11.60	11.05	10.40	10.17	10.18
22%-14	23%-15%	16¼-9¼	11½-7¼	12⅞-8⅞	13⅞-7⅞	10¾-7	13-8	16¼-11½
\$ 16	\$ 22½	\$ 15%	\$ 10%	\$ 11¼	\$ 11½	\$ 7%	\$ 8%	12
745.0	808.3	1085.1	667.4	689.3	769.0	416.8	508.7	826.8
8.9×	9.6×	8.5×	9.1×	9.2×	8.8×	9.7×	13.6×	10.9×
1.48×	1.55×	1.49×	1.40×	1.48×	1.46×	1.37×	1.31×	1.48×
1.22%	1.40%	1.14%	0.81%	0.95%	1.00%	0.78%	0.62%	0.94%
13.0%	13.1%	11.1%	8.1%	9.1%	8.6%	6.8%	5.7%	11.4%
5,021	4,828	4,571	4,441	4,433	4,433	4,420	4,420	4,414
8.6	9.1	9.9	10.4	18.3	17.7	18.6	18.8	17.8
\$ 102,985	\$ 120,331	\$ 106,382	\$ 78,817	\$ 32,172	\$ 21,531	\$ —	\$ —	\$ —
28,593	27,399	30,136	29,399	28,330	28,602	27,105	24,028	19,942
3,484	2,970	2,518	1,872	1,469	1,241	1,032	913	658
32,077	30,369	32,654	31,271	29,799	29,843	28,137	24,941	20,600
1,401	1,030	(192)	(853)	989	1,464	1,917	1,368	991
359	171	—	—	—	—	—	—	—
\$ 1,760	\$ 1,201	\$ (192)	\$ (853)	\$ 989	\$ 1,464	\$ 1,917	\$ 1,368	\$ 991
65.0%	67.1%	76.3%	75.4%	63.8%	60.7%	56.5%	61.0%	61.4%
33.7	35.5	36.2	33.3	33.4	33.4	32.1	29.5	30.0
98.7	102.6	112.5	108.7	97.2	94.1	88.6	90.5	91.4
6.84%	7.09%	7.14%	6.73%	5.36%	5.83%	6.26%	5.39%	6.56%
\$ 953,188	\$ 793,046	\$ 760,737	\$ 648,059	\$ 619,558	\$ 533,692	\$ 483,883	\$ 440,558	\$ 391,783
579,595	551,747	480,759	429,709	393,919	351,210	295,253	278,984	254,966
1,532,783	1,344,793	1,241,496	1,077,768	1,013,477	884,902	779,136	719,542	646,749
651,770	507,110	469,920	412,174	380,177	339,523	311,280	284,979	244,723
903,873	744,237	717,920	614,599	585,759	500,513	455,391	413,091	365,634
75,283	61,123	55,755	51,563	44,441	36,570	33,329	31,158	26,902
3,515	5,382	3,822	2,017	2,788	2,943	2,800	2,657	2,374
\$ 1,448	\$ 2,100	\$ 1,467	\$ 353	\$ 353	\$ 339	\$ 318	\$ 282	\$ 240

Consolidated Eleven Year Highlights

(concluded)

(amounts in thousands, except where noted)

	1975	1974
FINANCE RECEIVABLES OUTSTANDING		
Direct cash loans		
Precomputed loans	\$ 141,109	\$ 136,535
Interest bearing loans	18,830	21,279
	<u>159,939</u>	<u>157,814</u>
Consumer retail notes and contracts		
Motor vehicles	115,704	134,565
Mobile homes	28,846	39,423
Residential mortgages and home improvements	144,977	132,854
Miscellaneous	30,864	28,232
	<u>320,391</u>	<u>335,074</u>
Commercial loans and contracts		
Industrial and commercial equipment	124,812	109,417
Commercial loans	36,296	37,527
Leasing	115,487	64,011
Factoring and commercial financing	58,927	47,250
	<u>335,522</u>	<u>258,205</u>
Wholesale		
Motor vehicles	61,286	66,806
Miscellaneous	26,769	23,358
	<u>88,055</u>	<u>90,164</u>
	<u>\$ 903,907</u>	<u>\$ 841,257</u>
Unearned finance charges	\$ 122,481	\$ 109,377
—as a % of related receivables	21.4%	20.8%
Allowance for credit losses	\$ 18,147	\$ 15,464
—as a % of receivables outstanding	2.01%	1.84%
Net losses during the year	\$ 5,848	\$ 4,490
—as a % of average finance receivables outstanding	0.67%	0.54%
—as a % to liquidations	0.49%	0.36%
FINANCE RECEIVABLES ACQUIRED		
Direct cash loans		
Precomputed loans	\$ 115,433	\$ 118,506
Interest bearing loans	24,137	27,279
	<u>139,570</u>	<u>145,785</u>
Consumer retail notes and contracts		
Motor vehicles	92,688	117,067
Mobile homes	1,200	8,979
Residential mortgages and home improvements	53,977	38,429
Miscellaneous	39,786	39,136
	<u>187,651</u>	<u>203,611</u>
Commercial loans and contracts		
Industrial and commercial equipment	100,153	89,985
Commercial loans	5,691	22,176
Leasing	63,022	5,939
Factoring and commercial financing	385,901	330,760
	<u>554,767</u>	<u>448,860</u>
Wholesale	<u>374,800</u>	<u>475,626</u>
	<u>\$1,256,788</u>	<u>\$1,273,882</u>
BORROWINGS AND CAPITAL STRUCTURE		
Senior borrowings		
Senior secured debt of the Company	\$ 563,906	\$ 531,775
Debt of consolidated subsidiaries	31,048	27,689
	<u>594,954</u>	<u>559,464</u>
Capital funds		
Unsecured debt of the Company	94,046	84,320
Preferred stock	36,888	20,877
Common stock and surplus	82,876	88,113
	<u>\$ 213,810</u>	<u>\$ 193,310</u>
Ratio of senior borrowings to capital funds	2.8:1	2.9:1
Bank lines of credit		
Traders Group Limited	\$ 276,500	\$ 220,500
Consolidated subsidiaries	26,400	24,300
	<u>\$ 302,900</u>	<u>\$ 244,800</u>

1973	1972	1971	1970	1969	1968	1967	1966	1965
\$ 115,311 23,947 <u>139,258</u>	\$ 98,703 26,213 <u>124,916</u>	\$ 77,129 25,348 <u>102,477</u>	\$ 61,495 26,689 <u>88,184</u>	\$ 49,048 28,999 <u>78,047</u>	\$ 36,896 29,082 <u>65,978</u>	\$ 24,362 28,744 <u>53,106</u>	\$ 14,771 28,343 <u>43,114</u>	\$ 15,714 27,640 <u>43,354</u>
142,055 44,292 130,601 31,682 <u>348,630</u>	122,693 24,899 90,586 18,491 <u>256,669</u>	111,010 12,300 75,600 16,068 <u>214,978</u>	119,163 7,978 67,715 13,980 <u>208,836</u>	135,810 7,141 62,938 14,801 <u>220,690</u>	121,820 5,952 54,001 19,462 <u>201,235</u>	127,948 5,964 50,344 21,023 <u>205,279</u>	132,372 5,614 43,899 14,671 <u>196,556</u>	155,162 5,790 44,974 28,473 <u>234,399</u>
96,554 42,545 62,857 40,294 <u>242,250</u>	84,932 18,375 37,528 40,155 <u>180,990</u>	74,859 24,581 11,871 31,263 <u>142,574</u>	75,726 31,259 — 24,115 <u>131,100</u>	73,688 36,620 — 23,207 <u>133,515</u>	73,435 42,752 — 13,797 <u>129,984</u>	70,933 45,690 — 10,706 <u>127,329</u>	78,164 59,442 — 10,466 <u>148,072</u>	82,554 71,293 — 12,899 <u>166,746</u>
60,990 32,071 93,061 <u>\$ 823,199</u>	54,341 11,860 66,201 <u>\$ 628,776</u>	53,013 9,610 62,623 <u>\$ 522,652</u>	38,043 6,132 44,175 <u>\$ 472,295</u>	45,764 4,151 49,915 <u>\$ 482,167</u>	55,954 3,049 59,003 <u>\$ 456,200</u>	52,676 3,004 55,680 <u>\$ 441,394</u>	54,536 4,144 58,680 <u>\$ 446,422</u>	64,173 6,754 70,927 <u>\$ 515,426</u>
\$ 105,368 20.1% \$ 13,258 1.58% \$ 4,182 0.58% 0.36%	\$ 77,101 19.4% \$ 12,596 2.00% \$ 3,722 0.65% 0.38%	\$ 55,589 17.3% \$ 10,011 1.92% \$ 5,412 1.09% 0.66%	\$ 48,809 17.5% \$ 9,735 2.06% \$ 4,130 0.87% 0.60%	\$ 44,627 14.2% \$ 8,368 1.74% \$ 3,313 0.71% 0.47%	\$ 41,618 14.1% \$ 6,624 1.45% \$ 3,793 0.84% 0.51%	\$ 39,389 13.1% \$ 5,774 1.31% \$ 6,223 1.39% 0.87%	\$ 34,456 12.0% \$ 6,986 1.56% \$ 6,101 1.26% 0.86%	\$ 38,337 11.8% \$ 7,004 1.36% \$ 4,866 1.00% 0.61%
\$ 104,774 32,615 <u>137,389</u>	\$ 94,304 37,120 <u>131,424</u>	\$ 72,672 33,515 <u>106,187</u>	\$ 57,467 32,686 <u>90,153</u>	\$ 47,983 39,670 <u>87,653</u>	\$ 37,450 39,644 <u>77,094</u>	\$ 23,768 39,033 <u>62,801</u>	\$ 10,561 35,206 <u>45,767</u>	\$ 11,612 35,754 <u>47,366</u>
153,150 31,609 86,227 36,901 <u>307,887</u>	117,562 18,890 44,945 28,175 <u>209,572</u>	97,973 8,032 29,452 22,973 <u>158,430</u>	78,364 4,669 22,779 14,541 <u>120,353</u>	105,185 5,460 23,550 19,504 <u>153,699</u>	115,759 3,255 20,735 14,854 <u>154,603</u>	111,728 3,340 22,929 13,051 <u>151,048</u>	98,362 2,910 16,867 16,263 <u>134,402</u>	128,087 3,403 39,231 39,395 <u>210,116</u>
88,200 31,225 29,692 301,974 451,091 459,456 <u>\$1,355,823</u>	72,768 2,354 31,702 269,094 375,918 365,724 <u>\$1,082,638</u>	56,158 8,001 11,958 219,995 296,112 313,522 <u>\$ 874,251</u>	69,269 19,553 — 165,510 254,332 233,321 <u>\$ 698,159</u>	74,652 10,606 — 152,301 237,559 255,645 <u>\$ 734,556</u>	54,832 10,500 — 135,022 200,354 334,249 <u>\$ 766,300</u>	62,418 9,839 — 113,885 186,142 315,560 <u>\$ 715,551</u>	52,409 5,900 — 104,195 162,504 307,260 <u>\$ 649,933</u>	75,005 40,575 — 100,964 216,544 387,538 <u>\$ 861,564</u>
\$ 545,692 20,438 <u>566,130</u>	\$ 419,880 12,094 <u>431,974</u>	\$ 348,602 11,270 <u>359,872</u>	\$ 320,387 10,079 <u>330,466</u>	\$ 321,278 13,959 <u>335,237</u>	\$ 301,967 8,131 <u>310,098</u>	\$ 292,161 8,154 <u>300,315</u>	\$ 292,250 10,302 <u>302,552</u>	\$ 341,792 15,567 <u>357,359</u>
78,781 13,864 80,973 <u>\$ 173,618</u>	58,003 14,304 78,785 <u>\$ 151,092</u>	49,508 14,721 69,717 <u>\$ 133,946</u>	44,329 20,239 53,496 <u>\$ 118,064</u>	44,648 20,885 51,624 <u>\$ 117,157</u>	51,148 13,658 49,210 <u>\$ 114,016</u>	56,703 14,117 46,161 <u>\$ 116,981</u>	59,537 14,978 45,163 <u>\$ 119,678</u>	61,474 15,166 45,155 <u>\$ 121,795</u>
3.3:1	2.9:1	2.7:1	2.8:1	2.9:1	2.7:1	2.6:1	2.5:1	2.9:1
\$ 200,500 12,625 <u>\$ 213,125</u>	\$ 143,000 10,800 <u>\$ 153,800</u>	\$ 123,000 10,550 <u>\$ 133,550</u>	\$ 111,750 5,775 <u>\$ 117,525</u>	\$ 116,750 4,250 <u>\$ 121,000</u>	\$ 111,750 6,000 <u>\$ 117,750</u>	\$ 109,750 5,875 <u>\$ 115,625</u>	\$ 113,825 5,875 <u>\$ 119,700</u>	\$ 127,750 7,375 <u>\$ 135,125</u>

Canadian General Insurance Group

SUMMARY OF ASSETS AND LIABILITIES (\$000's)

	December 31	
	1975	1974
ASSETS		
Cash	\$ 5,158	\$ 7,756
Bonds (market value 1975-\$32,387; 1974-\$26,712)	37,651	32,151
Stocks (market value 1975-\$8,460; 1974-\$9,815)	10,796	13,596
Mortgages	11,816	4,129
Agents' balances	6,334	5,690
Other receivables	1,636	1,574
Fixed assets, at cost less depreciation	2,119	2,204
	<u>\$ 75,510</u>	<u>\$ 67,100</u>
LIABILITIES		
Payables	\$ 6,153	\$ 3,402
Claims in course of settlement	30,306	27,899
Mortgages payable	753	867
Income taxes (current and deferred)	1,430	715
Unearned insurance premiums	16,577	15,455
Minority Interest	649	596
Traders investment, at equity value	19,642	18,166
	<u>\$ 75,510</u>	<u>\$ 67,100</u>

SUMMARY STATEMENT OF INCOME (\$000's)

	Year ended December 31	
	1975	1974
Gross premiums written	\$ 48,480	\$ 41,711
Reinsurance ceded	(6,856)	(5,629)
Increase in unearned premium reserve	(1,122)	(1,507)
Net premiums earned	40,502	34,575
Claims	27,288	24,472
Commissions and premium taxes	7,976	7,565
General and administrative expenses	6,341	6,020
	<u>41,605</u>	<u>38,057</u>
Net underwriting loss	(1,103)	(3,482)
Investment income	4,043	3,655
Gain (loss) on sale of securities	(302)	55
	<u>2,638</u>	<u>228</u>
Income taxes	1,163	(98)
Net income before minority interest	1,475	326
Minority interest and consolidating adjustments	(70)	(45)
Net contributions to Traders, before extraordinary item	\$ 1,405	\$ 281
Extraordinary item: Income taxes realized on the carry forward of past losses	47	—
	<u>\$ 1,452</u>	<u>\$ 281</u>

STATISTICS

General Insurance

	1975	1974
Net premiums earned (\$000's)	\$ 35,765	\$ 30,274
Losses to earned premiums	66.8%	71.8%
Other expenses to written premiums	30.9%	34.4%
Combined ratio	97.7%	106.2%

Life and Disability Insurance

	1975	1974
Life insurance in force (\$000's)	\$398,112	\$361,620
Net premiums earned (\$000's)	\$ 4,737	\$ 4,301
Net rate of interest earned	7.29%	7.91%

Guaranty Trust Company of Canada

BALANCE SHEET (\$000's)

	December 31	
	1975	1974
Assets		
INVESTMENTS		
Cash and bank deposit receipts	\$ 73,034	\$ 39,007
Securities and loan income due and accrued	9,218	9,215
Collateral loans to brokers	10,880	4,950
Securities (Note 2)	151,936	159,563
Loans:		
Consumer	57,439	46,713
Corporate	19,306	17,266
Mortgages	748,132	742,193
	824,877	806,172
Other investments including affiliated company	4,937	5,332
	<u>1,074,882</u>	<u>1,024,239</u>
OTHER ASSETS		
Premises, leasehold improvements and equipment, at cost less accumulated depreciation and amortization of \$4,787 (1974—\$4,238)	5,737	5,524
Income taxes recoverable	216	1,178
Accounts receivable and other assets	5,344	3,781
	<u>\$1,086,179</u>	<u>\$1,034,722</u>
Liabilities and Shareholders' Equity		
LIABILITIES		
Guaranteed Trust Account (Note 3):		
Savings and chequing accounts	\$ 271,154	\$ 217,252
Guaranteed Investment Certificates	689,483	598,629
Time Deposits	42,388	136,610
Interest accrued and other payables	21,306	22,829
	<u>1,024,331</u>	<u>975,320</u>
Other liabilities	740	944
Deferred income taxes	2,059	1,441
Subordinated shareholder loans (Note 4)	7,950	7,920
SHAREHOLDERS' EQUITY		
Capital Stock:		
Authorized:		
—1,250,000 Preference Shares of \$20 par value		
—10,000,000 Common Shares of \$2 par value		
Issued and fully paid:—5,555,500 Common Shares (1974—5,444,450 shares) (Note 5)	11,111	10,889
General reserve	36,361	36,000
Retained earnings	3,627	2,208
	<u>51,099</u>	<u>49,097</u>
	<u>\$1,086,179</u>	<u>\$1,034,722</u>

AUDITORS' REPORT

To the Shareholders of
Guaranty Trust Company of Canada

We have examined the balance sheet of Guaranty Trust Company of Canada as at December 31, 1975 and the statements of revenue and expense, retained earnings and general reserve for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Toronto, January 29, 1976

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Company, these financial statements present fairly the financial position of the Company as at December 31, 1975 and the results of its operations and changes in general reserve for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PRICE WATERHOUSE & CO.
Chartered Accountants

**Guaranty Trust
Company of Canada**

STATEMENT OF REVENUE AND EXPENSE (\$000's)

	Year ended December 31	
	1975	1974
REVENUE		
Interest from mortgages and other loans	\$ 74,100	\$66,720
Interest and dividends from securities and bank deposit receipts	14,706	16,053
Real estate fees and commissions	2,661	2,212
Other fees and commissions	8,700	8,181
	<u>100,167</u>	<u>93,166</u>
EXPENSE		
Interest on deposits and subordinated shareholder loans	76,930	75,359
Salaries and staff benefits	11,009	9,662
Premises including depreciation and amortization of \$549 (1974—\$446)	1,938	1,687
Real estate commissions paid	2,000	1,612
Other operating expenses	5,870	5,610
	<u>97,747</u>	<u>93,930</u>
Operating profit (loss) before taxes	2,420	(764)
Income tax provision (recovery)		
Current	—	(1,200)
Deferred	619	225
	<u>619</u>	<u>(975)</u>
Net operating profit	1,801	211
Net gain (loss) on investments less applicable income taxes	62	(71)
Net profit for the year	<u>\$ 1,863</u>	<u>\$ 140</u>
Earnings per share*		
Net operating profit	\$ 0.33	\$ 0.05
Net gain (loss) on investments	\$ 0.01	\$ (0.02)
Net profit for the year	\$ 0.34	\$ 0.03
*Based on weighted average shares outstanding	5,490,721	4,444,450

STATEMENT OF RETAINED EARNINGS (\$000's)

	Year ended December 31	
	1975	1974
Balance at beginning of the year	\$ 2,208	\$ 3,312
Net profit for the year	1,863	140
	<u>4,071</u>	<u>3,452</u>
Deduct—		
Dividends (1975—8¢ per share; 1974—28¢ per share)	444	1,244
Balance at end of the year	<u>\$ 3,627</u>	<u>\$ 2,208</u>

STATEMENT OF GENERAL RESERVE (\$000's)

	Year ended December 31	
	1975	1974
Balance at beginning of the year	\$ 36,000	\$33,000
Proceeds in excess of par value of common shares issued (Note 5)	361	3,000
Balance at end of the year, including contributed surplus of \$22,484 (1974—\$22,123)	<u>\$ 36,361</u>	<u>\$36,000</u>

We hereby certify that to the best of our knowledge and belief the balance sheet as at December 31, 1975 and the statements of revenue and expense, retained earnings and general reserve for the year then ended are correct and show truly and clearly the financial condition of the Company's affairs and the results of its operations.

J. P. BASSEL, *Director & Chairman of the Audit Committee*
A. R. MARCHMENT, *President & Chief Executive Officer*
G. R. SHARWOOD, *Chairman of the Board*

NOTES TO FINANCIAL STATEMENTS

December 31, 1975

1. Summary of Accounting Policies:

These financial statements comply with all disclosure requirements of the Trust Companies Act (Canada). The significant

accounting policies are in the "Summary of Accounting Policies" which is an integral part of these financial statements.

2. Securities

(\$000's):

	1975	1974
Government of Canada and Provinces of Canada	\$ 70,422	\$ 72,537
Corporate notes	31,107	31,939
Other securities:		
Municipal	3,192	3,513
Corporation bonds and debentures.	30,359	32,641
Stocks.	16,856	18,933
(Market value 1975—\$43,418; 1974—\$47,422).	50,407	55,087
	<u>\$ 151,936</u>	<u>\$159,563</u>

3. Assets held for Guaranteed Trust Account

(\$000's):

	1975	1974
Cash and bank deposit receipts	\$ 52,707	\$ 21,127
Securities	124,258	130,356
Mortgages	748,132	742,193
Other loans.	86,635	68,929
Accrued interest and other.	12,599	12,715
	<u>\$1,024,331</u>	<u>\$975,320</u>

4. Subordinated Shareholder Loans:

This comprises:

(a) A loan of \$4,950,000 (U.S. \$5,000,000) payable to National Bank of Detroit, parent company of International Bank of Detroit, a major shareholder. The loan is interest bearing and repayable on or before December 31, 1976 and the proceeds of the loan are held in a U.S. dollar bank deposit receipt.

(b) A loan of \$3,000,000 payable to Traders Group Limited, the parent company. The loan is interest bearing and repayable on or before December 30, 1980.

5. Common Shares Issued:

On August 8, 1975, the Company issued to International Bank of Detroit 111,050 common shares for a total cash consideration of \$583,000.

6. Anti-Inflation Act:

The Company is subject to controls on prices, profits, compensation and dividends instituted by the Federal Government in the Anti-Inflation Act effective October 14, 1975. At this time, there are a number of general uncertainties concerning implementation of the programme so that the impact on the Company's future operations cannot be accurately determined.

SUMMARY OF ACCOUNTING POLICIES

The Company follows accounting policies common in the trust industry. The significant policies are as follows:

(A) Investments:

Securities are stated at amortized cost except for corporate notes and stocks which are stated at cost. Loans secured by mortgage are stated at cost whereas other loans are at cost less any provision for losses which management considers necessary in the circumstances. Other investments are stated at cost.

Income is recorded on an accrual basis. Discounts or premiums on the purchase of government bonds are amortized on a yield to maturity basis. Discounts or premiums on other bonds and loans are amortized on a straight-line basis over the term to maturity. Gains or losses on investments are included in the statement of revenue and expense.

(B) Revenues from Fees & Commissions:

The Company follows accrual accounting for all corporate services it provides including the stock transfer agency business. Accrual accounting is also followed for most fees arising from the estate, trust and agency business. Certain fees which arise from the Company's activity as an executor or administrator of estates are recorded as income only when court approval is obtained.

(C) Depreciation and Amortization:

Depreciation of office premises and equipment is computed by the reducing balance method at rates based on the estimated useful life of the depreciable assets. Amortization of leasehold improvements is computed by the straight-line method over the life of the lease plus the first renewal period.

(D) Income Tax:

Income taxes are provided on the tax allocation basis which relates income taxes to the accounting income for the year. The Company's income tax provisions are lower than the prevailing corporate tax rate because of the amount of tax-free dividend income it receives.

Traders Group Limited

Directors

G. R. CHATER
President
Grafton Group Limited

H. N. CRAWFORD
Senior Vice President
Traders Group Limited

H. E. DYNES
President and Chief Executive Officer
Traders Group Limited

E. W. FLANAGAN
Executive Vice President, Finance Group
Traders Group Limited

R. O. HEDLIN
Economic Consultant

J. C. LOCKWOOD
Chairman
Carling O'Keefe Limited

G. C. MacDONALD
Chairman of the Board
McLeod, Young, Weir & Company Limited

J. W. McCUTCHEON, Q.C.
Partner
Shibley, Righton & McCutcheon

D. A. McINTOSH, Q.C.
Partner
Fraser & Beatty

B. H. RIEGER
Vice President
Canadian Corporate Management
Co. Ltd.

H. C. RYNARD, P. Eng.
President
Acres Consulting Services Limited

G. R. SHARWOOD
Company Director

R. L. SHEARD, F.I.B.
Financial Consultant

D. I. WEBB, F.C.A.
Financial Consultant

G. E. WHITLEY, Q.C.
Vice President, Secretary and
General Counsel
Traders Group Limited

Officers

Chairman of the Board
G. R. CHATER

President and Chief Executive Officer
H. E. DYNES

Executive Vice President, Finance Group
E. W. FLANAGAN

Senior Vice Presidents
G. C. BRAIN, Finance

H. N. CRAWFORD
International Operations

J. D. DERBYSHIRE
Personal Financial Services

G. D. WALLACE
Business Financial Services

L. C. WRIGHT, C.A., Administration

Vice Presidents
W. C. ATTEWELL, Planning and Analysis

J. J. BOURBONNIÈRE
Personal Financial Services—Central

E. J. CASTELANE,
Personal Financial Services—West

A. R. MITCHELL
Personal Financial Services—East

D. K. CLARKSON, Credit

J. C. HASLER
Business Financial Services

R. J. HEROLD
Advertising and Public Relations

J. J. KEYSER, Personnel and Organization

M. E. MURPHY, Information Services

D. F. POLS, C.A., Controller

J. M. WALLER, Land Development and
Commercial Mortgages

G. E. WHITLEY, Q.C.
Secretary and General Counsel

E. A. A. WIGHTON, C.A., Treasurer

Assistant Secretary
J. F. VARCOE
Manager, Legal Department

Assistant Treasurers

A. L. BUTLER

J. F. ELLIS
Manager, Money Market

Committees

EXECUTIVE COMMITTEE

H. E. Dynes, Chairman
G. R. Chater
E. W. Flanagan
J. W. McCutcheon
D. A. McIntosh
B. H. Rieger
G. R. Sharwood
R. L. Sheard
D. I. Webb

AUDIT COMMITTEE

R. L. Sheard, Chairman
G. R. Chater
H. E. Dynes
J. C. Lockwood
J. W. McCutcheon

FINANCE COMMITTEE

G. C. Brain, Chairman
G. R. Chater
H. E. Dynes
J. W. McCutcheon
G. R. Sharwood
D. I. Webb
L. C. Wright

Subsidiaries

GUARANTY TRUST COMPANY OF CANADA
President & Chief Executive Officer
A. R. Marchment, F.C.A., C.P.A.

CANADIAN GENERAL INSURANCE GROUP
Canadian General Insurance Company
Toronto General Insurance Company
Traders General Insurance Company
Chairman
J. W. McCutcheon, Q.C.

President
R. E. Bethell

Canadian General Life Insurance Company
Chairman
J. W. McCutcheon, Q.C.
President
C. P. Flood

AETNA FACTORS CORPORATION LTD.
President
M. Suhl

Head Office

625 Church Street
Toronto, Ontario
M4Y 2G1

Assistant Vice Presidents

C. D. CHABOT
Credit
W. L. COCHRANE
Corporate Loans and Leasing
J. G. HUNTER

Zone Offices

BUSINESS FINANCIAL SERVICES

Assistant Vice Presidents

A. B. DUFF
2609 Granville Street
Vancouver, B.C.
V6H 3H3
J. S. RIDOUT
797 Don Mills Road
Don Mills, Ontario
M3C 1V2
G. H. DESROSIERS
6600 Trans Canada Highway
Pointe Claire, P.Q.
H9R 1C2
P. D. R. BROWN
Trafinco Services Limited
12 Carlos Place
London, England.
W1Y 5AG

PERSONAL FINANCIAL SERVICES

Assistant Vice Presidents

D. R. HEASLIP
1281 Georgia St. W.,
Vancouver, B.C.
V6E 3J7
G. W. ALDRIDGE
12316 Jasper Ave.,
Edmonton, Alberta
T5N 3K5
R. S. B. BARLOW
625 Church Street
Toronto, Ontario
M4Y 2G1
E. H. LLEWELLYN
75 The Donway West
Don Mills, Ontario
M3C 2E9
A. M. CLINE
625 Church Street
Toronto, Ontario
M4Y 2G1
R. S. CAMPBELL
625 Church Street
Toronto, Ontario
M4Y 2G1
P. GOSSELIN
1 Place de Commerce
Nun's Island
Montreal, P.Q.
H3E 1A2
L. M. LEVASSEUR
880 Chemin Ste-Foy
Quebec, P.Q.
G1S 2L2
R. J. McNEIL
1234 Main Street
Moncton, N.B.
E1C 1H7

Branch Locations

Branch Locations	Personal Financial Services	Business Financial Services	Canadian General Insurance	Guaranty Trust Company	Total
British Columbia	13	4		4	21
Yukon	1				1
Alberta	13	3		2	18
Saskatchewan	5			3	8
Manitoba	4	1	1	1	7
Ontario	61	7	6	36	110
Quebec	32	5	2	2	41
New Brunswick	12	1	1		14
Nova Scotia	23	1	1		25
Prince Edward Island	2		1		3
Newfoundland	7		1		8
	173	22	13	48	256

Traders Group Limited

Quarterly Share Market Statistics ⁽¹⁾

Notes

- (1) Source of Market Prices: The Toronto Stock Exchange Monthly Review. All prices are based on board lot transactions.
- (2) In 1975, Traders acquired Acres Ltd. This acquisition resulted in the effective cancellation of Acres direct and indirect holdings in Traders: 1,667,085 A shares and 475,884 B shares. Including these holdings, the total shares outstanding are 5,493,918 A shares and 720,000 B shares.
- (3) 5,135 shares of 35,000 outstanding shares were held through subsidiaries.
- (4) Accrued from issue date August 20, 1974.

Financial Reports

For additional copies of Traders Group Limited annual report, or statistical supplement, or the annual report of Guaranty Trust Company of Canada, contact the Corporate Finance Department, (416) 925-1461 or write to 625 Church St., Toronto, Ont. M4Y 2G1.

Stock Exchange Listings

(Symbol: TG)

Toronto Stock Exchange

Class A & B common,
preferred, warrants

Montreal Stock Exchange

Class A & B common

Vancouver Stock Exchange

Class A & B common

Security	Shares Effectively Outstanding Dec. 31, 1975 ⁽²⁾	Stock Symbol	1974 Quarter Ended	
			March 31	June 30
Common Shares—Class A	3,826,833	TG.A		
Market Price: High			\$17 1/2	\$15
Low			14 5/8	9
Close			14 3/4	9 5/8
Dividends			0.25	0.25
Common Shares—Class B	244,116	TG.B		
Market Price: High			16	9 1/2
Low			13 1/2	9
Close			16	9 1/8
Dividends			\$ 0.25	\$ 0.25
Total—Class A & B Shares	4,070,949			
Preferred Shares—4 1/2%	29,865 ⁽³⁾	TG.PR.C		
Market Price: High			\$55	54 3/8
Low			55	54 3/8
Close			55	54 3/8
Dividends			1.12 1/2	1.12 1/2
Preferred Shares—5%	29,149	TG.PR.D		
Market Price: High			25	22
Low			24	19 1/2
Close			24	19 1/2
Dividends			0.50	0.50
Preferred Shares—5% series A	75,203	TG.PR.E		
Market Price: High			20 3/4	20 1/2
Low			20	18
Close			20 1/4	18 3/8
Dividends			0.37 1/2	0.37 1/2
Preferred Shares—\$2.16 series B	215,542	TG.PR.F		
Market Price: High			27	26 1/4
Low			26	22
Close			26	22 1/2
Dividends			\$ 0.54	\$ 0.54
Preferred Shares—10 1/4%	749,500	TG.PR.G		
Market Price: High			- - - listed on October	
Low				
Close				
Dividends				
Preferred Shares—7 1/2%	330,359	TG.PR.H		
Market Price: High				
Low				
Close				
Dividends				
Warrants—1966 (Expire June 15, 1976)	198,040	TG.WT.B		
Market Price: High			\$ 6.375	\$ 4.50
Low			4.25	2.35
Close			4.70	3.05
Warrants—1969 (Expire Oct. 31, 1979)	249,520	TG.WT.C		
Market Price: High			7.25	5.75
Low			5.25	3.25
Close			\$ 5.75	\$ 4

		1975 Quarter Ended			
Sept. 30	Dec. 31	March 31	June 30	Sept. 30	Dec. 31
\$10 $\frac{5}{8}$	\$11 $\frac{7}{8}$	\$14 $\frac{1}{2}$	\$15 $\frac{1}{2}$	\$15 $\frac{3}{8}$	\$14 $\frac{3}{4}$
8 $\frac{1}{2}$	9	10 $\frac{3}{8}$	12 $\frac{1}{2}$	12 $\frac{1}{2}$	12 $\frac{5}{8}$
9 $\frac{1}{2}$	10 $\frac{3}{4}$	13 $\frac{1}{4}$	15 $\frac{1}{4}$	13 $\frac{3}{8}$	14
0.25	0.25	0.25	0.25	0.25	0.27 $\frac{1}{2}$
10	10 $\frac{1}{2}$	13	14	14	—
10	8 $\frac{3}{4}$	11	11 $\frac{1}{2}$	14	—
10	10 $\frac{1}{2}$	12 $\frac{1}{2}$	14	14	14
\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.27 $\frac{1}{2}$
—	—	\$44	\$45 $\frac{1}{4}$	\$44	\$43
—	—	44	44	43 $\frac{1}{2}$	43
—	\$54 $\frac{3}{8}$	44	45 $\frac{1}{4}$	43 $\frac{1}{2}$	43
\$ 1.12 $\frac{1}{2}$	1.12 $\frac{1}{2}$	1.12 $\frac{1}{2}$	1.12 $\frac{1}{2}$	1.12 $\frac{1}{2}$	1.12 $\frac{1}{2}$
22	20	22	20 $\frac{1}{2}$	20	19 $\frac{3}{4}$
19 $\frac{1}{2}$	19 $\frac{3}{8}$	19	19 $\frac{1}{2}$	19 $\frac{1}{2}$	19 $\frac{1}{2}$
19 $\frac{1}{2}$	20	21 $\frac{1}{4}$	20 $\frac{1}{2}$	20	19 $\frac{1}{2}$
0.50	0.50	0.50	0.50	0.50	0.50
19	22	19	20 $\frac{1}{2}$	22 $\frac{1}{2}$	22 $\frac{1}{2}$
18 $\frac{1}{4}$	16	17 $\frac{1}{2}$	19	20	19
18 $\frac{7}{8}$	16	19	20 $\frac{1}{2}$	22 $\frac{1}{2}$	20
0.37 $\frac{1}{2}$	0.37 $\frac{1}{2}$	0.37 $\frac{1}{2}$	0.37 $\frac{1}{2}$	0.37 $\frac{1}{2}$	0.37 $\frac{1}{2}$
23	25	24	22 $\frac{3}{4}$	22	21 $\frac{1}{2}$
18 $\frac{1}{2}$	19 $\frac{1}{2}$	20	20 $\frac{1}{2}$	20 $\frac{1}{2}$	20 $\frac{5}{8}$
18 $\frac{3}{4}$	20	23	20 $\frac{1}{2}$	21	21
0.54	0.54	0.54	0.53	0.54	0.54
1, 1974 - - -	10 $\frac{1}{4}$	11 $\frac{1}{4}$	10 $\frac{3}{8}$	10 $\frac{3}{4}$	10 $\frac{5}{8}$
	9 $\frac{1}{2}$	9 $\frac{3}{8}$	9 $\frac{3}{4}$	9 $\frac{7}{8}$	10
	10	10 $\frac{1}{4}$	10 $\frac{1}{8}$	9 $\frac{7}{8}$	10
\$ 0.118 ⁽⁴⁾	\$ 0.25 $\frac{5}{8}$	\$ 0.25 $\frac{5}{8}$	\$ 0.25 $\frac{5}{8}$	0.25 $\frac{5}{8}$	0.25 $\frac{5}{8}$
listed on July 25, 1975	- - - - -	- - - - -	- - - - -	35	36 $\frac{1}{2}$
				32 $\frac{1}{2}$	32 $\frac{1}{2}$
				32 $\frac{7}{8}$	35 $\frac{1}{2}$
				\$ 0.93 $\frac{3}{4}$	\$ 0.93 $\frac{3}{4}$
\$ 2.95	\$ 3.25	\$ 4	\$ 4.10	\$ 4.30	\$ 2.60
1.95	2.10	2.70	2.15	2.30	1.40
2.45	2.20	2.70	4.10	2.30	1.50
4	4.10	4.75	5.50	6	4.70
2.10	2.75	3.50	3.55	4.10	4
\$ 3	\$ 3.10	\$ 4	\$ 5.50	\$ 4.50	\$ 4.25

Valuation Day Share Prices

For capital gains tax purposes, some share-holders may need to know the value of their shares on Valuation Day. The December 22, 1971, Valuation Day values, as established by the Department of National Revenue, were:

Class A common	\$15.75
Class B common	15.00
4 $\frac{1}{2}$ % preferred, \$100 par value.	56.25
5% preferred, \$40 par value	25.00
Series A, 5% preferred, \$30 par value	20.50
Series B, \$2.16 preferred, \$30 par value	26.00
1966 warrants	4.70
1969 warrants	\$ 5.00

Auditors

Price Waterhouse & Co.
Chartered Accountants
Toronto, Ontario M5K 1G1

Share Transfer Agents and Registrars

Guaranty Trust Company of Canada,
Toronto, Montreal, Winnipeg,
Calgary, Vancouver

Bank of Montreal Trust Company
New York, N.Y.

Trustees

Senior Secured Debt—
The Royal Trust Company
Toronto, Ontario

Debentures—
The Canada Trust Company
Toronto, Ontario

AR09

TRADERS
GROUP LIMITED



Free

REPORT FOR THE 6 MONTHS ENDED JUNE 30, 1975.

President's Report to Shareholders

For the six months ended June 30, 1975, earnings available for common shares, before an extraordinary item, increased to \$6,170,000 or \$1.27 per share from \$4,873,000 or 97 cents per share for the first six months of 1974.

Including the extraordinary item, earnings available for common shares were \$6,633,000 or \$1.36 per share compared with \$5,799,000 or \$1.15 per share.

The success of Traders offer to purchase preferred and common shares of Acres Limited has the effect of eliminating Acres' holdings in Traders starting June 2, 1975. Accordingly, average common shares outstanding during the six-month period were reduced to 4,863,000 from 5,021,000.

In the Finance Group, improved interest margins and expense control, together with continuing emphasis on quality of receivables, resulted in a significant profit improvement to \$5,522,000 from \$3,461,000 a year earlier.

Although profit from Land Development Operations improved substantially in the second quarter, the six-month's results declined to \$630,000 from the record level of \$1,322,000 established a year ago. This reflects reduced housing starts.

Higher premium income, improved underwriting experience, and increased investment income were achieved by the Canadian General Insurance Group. As a result, the contribution for the period increased to \$420,000 from \$56,000 a year earlier.

Traders share of the earnings of Guaranty Trust Company of Canada was \$472,000 compared with \$445,000 in the first half of 1974. Share of earnings, however, is based on Traders 59.6% interest in the Trust Company compared with 50.6% a year earlier. Record high interest rates caused a declining profit trend last year throughout the trust industry. To date this year, continuing emphasis on expense control, coupled with a decline in interest rates has improved Guaranty Trust's profit margin and reversed the 1974 profit trend.

Traders Group expects satisfactory operating results for the year, assuming relatively modest changes in interest rates.



HENRY E. DYNES
President

August 27, 1975

	Six Months Ended June 30			Three Months Ended June 30		
	1975	1974	% Increase (Decrease)	1975	1974	% Increase (Decrease)
EARNINGS PER COMMON SHARE						
before extraordinary item.....	\$ 1.27	\$ 0.97	30.9%	\$ 0.83	\$ 0.67	23.9%
after extraordinary item.....	\$ 1.36	\$ 1.15	18.3%	\$ 0.83	\$ 0.67	23.9%
DIVIDENDS PER COMMON SHARE						
	\$ 0.50	\$ 0.50	—	\$ 0.25	\$ 0.25	—
COMMON SHARES						
Monthly average outstanding (000's) ..	4,863	5,021	(3.1)%	4,705	5,021	(6.3)%

Highlights

EARNINGS

	1975	1974	% increase (decrease)
NET INCOME (\$'000's)	Six Months Ended June 30		
Finance.....	\$ 5,522	\$ 3,461	59.5%
Land Development.....	630	1,322	(52.3)
Insurance.....	420	56	650.0
Guaranty Trust.....	472	445	6.1
	<u>7,044</u>	<u>5,284</u>	<u>33.3</u>
Preferred Dividends.....	(874)	(411)	(112.7)
	<u>6,170</u>	<u>4,873</u>	<u>26.6</u>
Extraordinary Item.....	463	926	(50.0)
	<u>\$ 6,633</u>	<u>\$ 5,799</u>	<u>14.4%</u>

OPERATING

FINANCE RECEIVABLES ACQUIRED (\$'000's)

Direct Cash Loans.....	\$ 68,504	\$ 75,034	(8.7)%
Consumer Retail Notes and Contracts			
Motor Vehicles.....	45,464	69,456	(34.5)
Mobile Homes.....	649	7,193	(91.0)
Residential Mortgages and Home Improvements.....	20,487	30,901	(33.7)
Miscellaneous.....	<u>17,681</u>	<u>23,623</u>	<u>(25.2)</u>
	<u>84,281</u>	<u>131,173</u>	<u>(35.7)</u>
Commercial Loans and Contracts			
Industrial and Commercial Equipment.....	51,312	48,715	5.3
Commercial Loans.....	5,239	7,885	(33.6)
Leasing.....	5,435	3,784	43.6
Factoring and Commercial Financing.....	<u>167,285</u>	<u>161,064</u>	<u>3.9</u>
	<u>229,271</u>	<u>221,448</u>	<u>3.5</u>
Wholesale.....	<u>173,990</u>	<u>256,364</u>	<u>(32.1)</u>
	<u>\$556,046</u>	<u>\$684,019</u>	<u>(18.7)%</u>

FINANCE RECEIVABLES OUTSTANDING (\$'000's)

	June 30		
Direct Cash Loans.....	\$159,328	\$150,444	5.9%
Consumer Retail Notes and Contracts			
Motor Vehicles.....	122,343	149,355	(18.1)
Mobile Homes.....	33,948	43,717	(22.3)
Residential Mortgages and Home Improvements.....	134,352	139,080	(3.4)
Miscellaneous.....	<u>28,532</u>	<u>32,176</u>	<u>(11.3)</u>
	<u>319,175</u>	<u>364,328</u>	<u>(12.4)</u>
Commercial Loans and Contracts			
Industrial and Commercial Equipment.....	136,116	123,140	10.5
Commercial Loans.....	17,225	18,464	(6.7)
Leasing.....	64,182	63,168	1.6
Factoring and Commercial Financing.....	<u>44,603</u>	<u>47,053</u>	<u>(5.2)</u>
	<u>262,126</u>	<u>251,825</u>	<u>4.1</u>
Wholesale.....	<u>90,255</u>	<u>93,650</u>	<u>(3.6)</u>
	<u>\$830,884</u>	<u>\$860,247</u>	<u>(3.4)%</u>

Condensed Balance Sheet (S\$000K)

ASSETS	June 30 1975	Dec. 31 1974	June 30 1974
CASH.....	\$ 19,613	\$ 15,981	\$ 17,361
RECEIVABLES:			
Finance, including \$391,117 due within one year (June 30, 1974—\$389,757)			
Consumer.....	478,503	492,888	514,772
Commercial.....	262,126	258,205	251,825
Wholesale.....	90,255	90,164	93,650
	830,884	841,257	860,247
Loans to associated companies.....	16,985	17,923	18,276
	847,869	859,180	878,523
Less: Allowance for credit losses.....	16,499	15,464	14,698
	831,370	843,716	863,825
INVESTMENTS:			
Land inventories of subsidiaries, at cost.....	9,883	6,218	5,318
Investment in Inter-City Gas Limited, at cost.....	3,942	—	—
Investments in associated companies, at equity value....	1,791	1,784	2,110
Investment in subsidiaries not consolidated, at equity value—			
Canadian General Insurance Group.....	18,594	18,166	17,949
Guaranty Trust Company of Canada.....	29,755	29,283	22,664
Acres Consulting Services Ltd.....	5,989	—	—
	69,954	55,451	48,041
OTHER ASSETS:			
Other receivables.....	13,246	12,514	9,549
Income taxes recoverable.....	—	—	377
Fixed assets, at cost less accumulated depreciation of \$3,835 (June 30, 1974—\$3,615).....	3,432	3,418	3,377
Unamortized cost of borrowed money.....	4,367	3,867	4,113
	21,045	19,799	17,416
	\$941,982	\$934,947	\$946,643

LIABILITIES

	June 30 1975	Dec. 31 1974	June 30 1974
PAYABLES AND ACCRUED CHARGES.....	\$ 68,442	\$ 58,780	\$ 60,050
DEFERRED CREDITS:			
Unearned finance charges.....	105,783	109,377	109,622
Deferred gross margin on land sales.....	133	—	—
Deferred income taxes.....	14,550	13,503	9,967
	120,466	122,880	119,589
SECURED DEBT OF THE COMPANY:			
Due within one year:			
Short term.....	217,088	213,436	197,287
Medium and long term.....	43,462	62,346	103,333
Due beyond one year.....	259,486	255,993	252,892
	520,036	531,775	553,512
DEBT OF SUBSIDIARIES:			
Due within one year.....	24,137	23,053	20,222
Due beyond one year.....	8,862	4,636	6,770
	32,999	27,689	26,992
UNSECURED DEBT OF THE COMPANY:			
Due within one year.....	19,133	25,061	8,301
Due beyond one year.....	62,639	59,259	79,598
	81,772	84,320	87,899
MINORITY INTEREST in consolidated subsidiaries.....	674	513	578
CAPITAL AND SURPLUS:			
Preferred shares.....	37,246	20,877	13,591
Common shares.....	49,539	33,404	33,404
Surplus.....	58,857	54,709	51,028
Elimination of intercompany holdings.....	(28,049)	—	—
	117,593	108,990	98,023
	\$941,982	\$934,947	\$946,643

Condensed Statement of Income

(\$000's)

	Six Months Ended June 30	
	1975	1974
Revenues:		
Gross income from operations	\$59,551	\$60,323
Investment income	1,137	896
	<u>\$60,688</u>	<u>\$61,219</u>
Expenses:		
Cost of borrowed funds	26,027	29,682
Provision for credit losses	3,028	2,649
Other direct charges	2,586	4,004
General and administrative expenses (including depreciation)	16,412	15,851
	<u>48,053</u>	<u>52,186</u>
Income before income taxes and minority interest	12,635	9,033
Income taxes (current and deferred)	5,516	3,684
Income before minority interest	7,119	5,349
Minority interest	75	65
Net income for the period before extraordinary item	7,044	5,284
Extraordinary item	463	926
	<u>\$ 7,507</u>	<u>\$ 6,210</u>

Condensed Statement of Surplus

(\$000's)

	Six Months Ended June 30	
	1975	1974
Balance at beginning of period	\$54,709	\$47,569
Adjustments arising during the period	(241)	171
	<u>54,468</u>	<u>47,740</u>
Net income for the period	7,507	6,210
Less—Dividends on preferred shares	874	411
Earnings available for common shares	6,633	5,799
Dividends on common shares	2,244	2,511
Earnings retained during the period	4,389	3,288
Balance at end of period	<u>\$58,857</u>	<u>\$51,028</u>

NOTE: PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of all subsidiaries except Guaranty Trust Company of Canada, the Canadian General Insurance Group, and Acres Consulting Services Limited and its subsidiaries.

The assets of the Trust Company arise primarily from deposits which may be invested only as prescribed by the Trust Companies Act & Regulations and are not interchangeable with those of the Company.

The assets of the Canadian General Insurance Group are not interchangeable with those of the Company.

Acres Limited contemplates the sale of its interest in Acres Consulting Services Limited to Canadian General Securities Limited.

Accordingly, the accounts of Guaranty Trust Company of Canada, the Canadian General Insurance Group, and Acres Consulting Services Limited and its subsidiaries have not been consolidated with those of the Company and its other subsidiaries.

All subsidiaries have a fiscal year-end of December 31, except for the Land Development companies whose fiscal year-ends are November 30. Accordingly, the consolidated financial statements include their accounts as of May 31, 1975 and the results of their operations for the six months then ended.

Traders Group Limited

Dividend Notice

Dividends have been declared as follows for the quarter ending September 30, 1975, payable October 1, 1975, to shareholders of record September 9, 1975:

	Per Share
4½% Preferred Shares	\$1.12½
5% Preferred Shares	0.50
5% Preferred Shares, Series A	0.37½
\$2.16 Preferred Shares, Series B	0.54
10¼% Preferred Shares	0.25%
7½% Preferred Shares	0.93¾
Class A and Class B Common Shares	\$0.25

Land Development

Although Land Development is included in the consolidated financial statements of Traders Group Limited and its consolidated subsidiaries, summary financial statements are shown hereunder:

SUMMARY OF ASSETS AND LIABILITIES (\$000's)	May 31	
	1975	1974
ASSETS:		
Cash	\$ 328	\$ 78
Mortgages receivable	7,272	5,474
Land inventory at development cost	9,883	5,318
Investments in and advances to associated companies at equity value	1,064	1,331
Fixed assets	39	—
	\$18,586	\$12,201
LIABILITIES:		
Payables	\$ 2,660	\$ 858
Bank loans	739	—
Mortgages payable	2,596	1,596
Income taxes (current and deferred)	1,926	1,206
Deferred gross margin on land sales	133	—
Advances from parent and associated companies	6,278	4,287
Traders investment, at equity value	4,254	4,254
	\$18,586	\$12,201

SUMMARY STATEMENT OF INCOME (\$000's)	Six Months Ended May 31	
	1975	1974
Income:		
Land sales	\$ 2,795	\$ 3,285
Deferral on gross margin	(133)	920
Other	309	248
	2,971	4,453
Investments in associated companies	222	466
	3,193	4,919
Expenses:		
Cost of sales	1,759	2,542
General and administrative	341	199
	2,100	2,741
Income before income taxes	1,093	2,178
Income taxes	463	856
Net contribution to Traders	\$ 630	\$ 1,322

Canadian General Insurance Group

SUMMARY OF ASSETS AND LIABILITIES (\$000's)

	June 30	
	1975	1974
ASSETS:		
Cash	\$ 1,930	\$ 516
Investments, at cost	46,800	47,592
Mortgages	8,652	4,067
Agents' balances	7,978	7,467
Other receivables	1,329	1,188
Fixed assets, at cost less depreciation	2,171	2,251
	\$68,860	\$63,081
LIABILITIES:		
Payables	\$ 4,598	\$ 2,356
Claims in course of settlement	27,740	25,587
Mortgages payable	811	917
Income taxes (current and deferred)	698	1,225
Unearned insurance premiums	15,794	14,460
Minority interest	625	587
Traders investment, at equity value	18,594	17,949
	\$68,860	\$63,081

SUMMARY STATEMENT OF INCOME (\$000's)

	Six Months Ended June 30	
	1975	1974
Gross premiums written	\$22,289	\$18,844
Reinsurance ceded	(2,785)	(1,940)
Change in unearned premium reserve	(301)	(513)
Net premiums earned	19,203	16,391
Claims	13,152	11,269
Commissions and premium taxes	3,926	3,565
General and administrative expenses	3,208	2,945
	20,286	17,779
Net underwriting loss	(1,083)	(1,388)
Investment income and inter-company dividends	1,881	1,646
Gain (loss) on sale of securities	(79)	42
	719	300
Income taxes	285	219
Net income before minority interest	434	81
Minority interests and adjustments	14	25
Net contribution to Traders	\$ 420	\$ 56

Guaranty Trust Company of Canada

CONDENSED SUMMARY STATEMENTS (\$000's)	June 30	
	1975	1974
ASSETS:		
Cash, bank deposit receipts and corporate notes.....	\$ 84,701	\$ 80,360
Bonds and stocks.....	123,031	132,618
Mortgages.....	739,830	709,699
Consumer and personal loans.....	47,407	41,427
Other assets.....	48,736	43,810
	\$1,043,705	\$1,007,914

LIABILITIES:		
Savings and chequing accounts.....	\$ 276,367	\$ 232,496
Guaranteed investment certificates.....	644,653	582,704
Time deposits.....	46,430	129,084
Other liabilities.....	26,366	18,792
Shareholders' equity.....	49,889	44,838
	\$1,043,705	\$1,007,914

CONDENSED STATEMENTS OF INCOME	Six Months Ended June 30	
	1975	1974
Revenues:		
Interest from mortgages and other loans.....	\$ 36,407	\$ 31,380
Interest and dividends from securities and bank deposit receipts..	7,259	8,642
Fees and commissions.....	4,225	4,357
	47,891	44,379
Expenses:		
Interest on deposits.....	38,515	34,918
Salaries and staff benefits.....	5,393	4,784
Other expenses.....	3,054	3,204
	46,962	42,906
Operating profit before taxes.....	929	1,473
Income taxes.....	163	465
Net operating profit.....	766	1,008
Net gain (loss) on investment, less applicable income taxes.....	26	(127)
Net profit for the period.....	\$ 792	\$ 881
Net contribution to Traders.....	\$ 472	\$ 445

Bankers

IN CANADA (10)

- Bank of British Columbia
- Bank of Montreal
- Bank Canadian National
- Canadian Imperial Bank of Commerce
- The Bank of Nova Scotia
- The Mercantile Bank of Canada
- The Provincial Bank of Canada
- The Royal Bank of Canada
- The Toronto-Dominion Bank
- Unity Bank of Canada

IN EUROPE (2)

- Western American Bank (Europe) Limited
- International Commercial Bank Limited

IN THE UNITED STATES OF AMERICA (23)

- Bank of America
- Bankers Trust Company
- Chemical Bank
- Continental Illinois National Bank and Trust Company of Chicago
- Crocker National Bank
- First National City Bank
- Irving Trust Company
- Manufacturers Hanover Trust Company
- Manufacturers National Bank of Detroit
- Marine Midland Bank—New York
- Marine Midland Bank—Western
- Mellon Bank, N.A.
- National Bank of Detroit
- New Jersey Bank, National Association
- Seattle—First National Bank
- Security Pacific National Bank
- Swiss Bank Corporation
- The Chase Manhattan Bank, National Association
- The First National Bank of Boston
- The First National Bank of Chicago
- Union Bank
- United California Bank
- Wells Fargo Bank, National Association

BANK CREDIT LINES (\$000's)	June 30	
	1975	1974
Traders Group Limited	\$ 228,500	\$ 219,500
Consolidated Subsidiaries	29,400	15,400
	\$ 257,900	\$ 234,900

TRADERS GROUP LIMITED

PERSONAL FINANCIAL SERVICES

- Personal Loans
- Refinancing and Debt Consolidation
- Purchase Plans for:
 - Cars and Trucks
 - Vacation Homes and Lots
 - Mobile Homes and Recreational Vehicles
 - Furniture and Appliances
 - Home Improvements
- First and Second Residential Mortgages

BUSINESS FINANCIAL SERVICES

- Equipment Financing
- Leasing
- Medium and Long Term Loans for:
 - Acquisitions
 - Expansion
 - Modernization
 - Cash Flow Improvement
- Distributor Capital Loans
- Manufacturer Floor Plans
- Factoring
- Accounts Receivable Financing
- Computer Services for:
 - Receivables
 - Inventory Control
- Commercial Mortgages
- Land Development

CANADIAN GENERAL INSURANCE GROUP

- General Casualty Insurance for Automobiles and Properties
- Surety, Performance and Bid Bonding
- Group Life, Sickness and Accident Insurance

GUARANTY TRUST COMPANY OF CANADA

- Deposit and Chequing Services
- Residential Mortgages and Consumer Loans
- Medium and Long-term Corporate Loans & Commercial Mortgages
- Registered Retirement Savings Plans
- Investment and Estate Management
- Stock Transfers & Trustee Services
- Real Estate Sales and Property Management



TRADERS
GROUP LIMITED

625 CHURCH STREET, TORONTO, ONTARIO M4Y 2G1
